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# THE DEPARTMENT OF STATE

# BULLETIN

VOL. XIV, NO. 344

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## State of the Union

PRESIDENT'S MESSAGE TO CONGRESS

## General Assembly of the United Nations

CONTROL OF ATOMIC ENERGY: STATEMENT BY THE SECRETARY OF STATE

REPORT FROM LONDON

## Freedom of the Press—World-Wide

By ASSISTANT SECRETARY BENTON and PAUL PORTER

## Philippine Foreign Affairs Training Program

By EDWARD W. MILL

## Wheat and Coal for Liberated Areas

By JAMES A. STILLWELL

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see inside cover



THE DEPARTMENT OF STATE

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*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

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\* Treaty information.

# The State of the Union

## THE PRESIDENT'S MESSAGE TO THE CONGRESS

### I. FROM WAR TO PEACE—THE YEAR OF DECISION

In his last Message on the State of the Union, delivered one year ago, President Roosevelt said:

"This new year of 1945 can be the greatest year of achievement in human history.

"1945 can see the final ending of the Nazi-Fascist reign of terror in Europe.

"1945 can see the closing in of the forces of retribution about the center of the malignant power of imperialistic Japan.

"Most important of all—1945 can and must see the substantial beginning of the organization of world peace."

All those hopes, and more, were fulfilled in the year 1945. It was the greatest year of achievement in human history. It saw the end of the Nazi-Fascist terror in Europe, and also the end of the malignant power of Japan. And it saw the substantial beginning of world organization for peace. These momentous events became realities because of the steadfast purpose of the United Nations and of the forces that fought for freedom under their flags. The plain fact is that civilization was saved in 1945 by the United Nations.

Our own part in this accomplishment was not the product of any single service. Those who fought on land, those who fought on the sea, and those who fought in the air deserve equal credit. They were supported by other millions in the armed forces who through no fault of their own could not go overseas and who rendered indispensable service in this country. They were supported by millions in all levels of government, including many volunteers, whose devoted public service furnished basic organization and leadership. They were also supported by the millions of Americans in private life—men and women in industry, in commerce, on the farms, and in all man-

ner of activity on the home front—who contributed their brains and their brawn in arming, equipping, and feeding them. The country was brought through four years of peril by an effort that was truly national in character.

Everlasting tribute and gratitude will be paid by all Americans to those brave men who did not come back, who will never come back—the 330,000 who died that the Nation might live and progress. All Americans will also remain deeply conscious of the obligation owed to that larger number of soldiers, sailors, and marines who suffered wounds and sickness in their service. They may be certain that their sacrifice will never be forgotten or their needs neglected.

The beginning of the year 1946 finds the United States strong and deservedly confident. We have a record of enormous achievements as a democratic society in solving problems and meeting opportunities as they developed. We find ourselves possessed of immeasurable advantages—vast and varied natural resources; great plants, institutions, and other facilities; unsurpassed technological and managerial skills; an alert, resourceful, and able citizenry. We have in the United States Government rich resources in information, perspective, and facilities for doing whatever may be found necessary to do in giving support and form to the widespread and diversified efforts of all our people.

And for the immediate future the business prospects are generally so favorable that there is danger of such feverish and opportunistic activity that our grave postwar problems may be neglected. We need to act now with full regard for pitfalls; we need to act with foresight and balance. We

Excerpts from the President's Message on the State of the Union and Transmitting the Budget, dated Jan. 14 and released to the press by the White House on the same date.



should not be lulled by the immediate alluring prospects into forgetting the fundamental complexity of modern affairs, the catastrophe that can come in this complexity, or the values that can be wrested from it.

But the long-range difficulties we face should no more lead to despair than our immediate business prospects should lead to the optimism which comes from the present short-range prospect. On the foundation of our victory we can build a lasting peace, with greater freedom and security for mankind in our country and throughout the world. We will more certainly do this if we are constantly aware of the fact that we face crucial issues and prepare now to meet them.

To achieve success will require both boldness in setting our sights and caution in steering our way on an uncharted course. But we have no luxury of choice. We must move ahead. No return to the past is possible.

Our Nation has always been a land of great opportunities for those people of the world who sought to become part of us. Now we have become a land of great responsibilities to all the people of all the world. We must squarely recognize and face the fact of those responsibilities. Advances in science, in communication, in transportation, have compressed the world into a community. The economic and political health of each member of the world community bears directly on the economic and political health of each other member.

The evolution of centuries has brought us to a new era in world history in which manifold relationships between nations must be formalized and developed in new and intricate ways.

The United Nations Organization now being established represents a minimum essential beginning. It must be developed rapidly and steadily. Its work must be amplified to fill in the whole pattern that has been outlined. Economic collaboration, for example, already charted, now must be carried on as carefully and as comprehensively as the political and security measures.

It is important that the nations come together as States in the Assembly and in the Security Council and in the other specialized assemblies and councils that have been and will be arranged. But this is not enough. Our ultimate security requires more than a process of consultation and compromise.

It requires that we begin now to develop the United Nations Organization as the representa-

tive of the world as one society. The United Nations Organization, if we have the will adequately to staff it and to make it work as it should, will provide a great voice to speak constantly and responsibly in terms of world collaboration and world well-being.

There are many new responsibilities for us as we enter into this new international era. The whole power and will and wisdom of our Government and of our people should be focused to contribute to and to influence international action. It is intricate, continuing business. Many concessions and adjustments will be required.

The spectacular progress of science in recent years makes these necessities more vivid and urgent. That progress has speeded internal development and has changed world relationships so fast that we must realize the fact of a new era. It is an era in which affairs have become complex and rich in promise. Delicate and intricate relationships, involving us all in countless ways, must be carefully considered.

## II. THE FEDERAL PROGRAM

### *International Affairs*

#### 1. Foreign Policy

The year 1945 brought with it the final defeat of our enemies. There lies before us now the work of building a just and enduring peace.

Our most immediate task toward that end is to deprive our enemies completely and forever of their power to start another war. Of even greater importance to the preservation of international peace is the need to preserve the wartime agreement of the United Nations and to direct it into the ways of peace.

Long before our enemies surrendered, the foundations had been laid on which to continue this unity in the peace to come. The Atlantic meeting in 1941 and the conferences at Casablanca, Quebec, Moscow, Cairo, Tehran, and Dumbarton Oaks each added a stone to the structure.

Early in 1945, at Yalta, the three major powers broadened and solidified this base of understanding. There fundamental decisions were reached concerning the occupation and control of Germany. There also a formula was arrived at for the interim government of the areas in Europe which were rapidly being wrested from Nazi control. This formula was based on the



policy of the United States that people be permitted to choose their own form of government by their own freely expressed choice without interference from any foreign source.

At Potsdam, in July 1945, Marshal Stalin, Prime Ministers Churchill and Attlee, and I met to exchange views primarily with respect to Germany. As a result, agreements were reached which outlined broadly the policy to be executed by the Allied Control Council. At Potsdam there was also established a Council of Foreign Ministers which convened for the first time in London in September. The Council is about to resume its primary assignment of drawing up treaties of peace with Italy, Rumania, Bulgaria, Hungary, and Finland.

In addition to these meetings, and in accordance with the agreement at Yalta, the Foreign Ministers of Great Britain, the Soviet Union, and the United States conferred together in San Francisco last spring, in Potsdam in July, in London in September, and in Moscow in December. These meetings have been useful in promoting understanding and agreement among the three governments.

Simply to name all the international meetings and conferences is to suggest the size and complexity of the undertaking to prevent international war in which the United States has now enlisted for the duration of history.

It is encouraging to know that the common effort of the United Nations to learn to live together did not cease with the surrender of our enemies.

When difficulties arise among us, the United States does not propose to remove them by sacrificing its ideals or its vital interests. Neither do we propose, however, to ignore the ideals and vital interests of our friends.

Last February and March an Inter-American Conference on Problems of War and Peace was held in Mexico City. Among the many significant accomplishments of that Conference was an understanding that an attack by any country against any one of the sovereign American republics would be considered an act of aggression against all of them; and that if such an attack were made or threatened, the American republics would decide jointly, through consultations in which each republic has equal representation, what measures they would take for their mutual protection. This agreement stipulates that its execution shall be in full accord with the Charter of the United Nations Organization.

The first meeting of the General Assembly of the United Nations now in progress in London marks the real beginning of our bold adventure toward the preservation of world peace, to which is bound the dearest hope of men.

We have solemnly dedicated ourselves and all our will to the success of the United Nations Organization. For this reason we have sought to insure that in the peacemaking the smaller nations shall have a voice as well as the larger states. The agreement reached at Moscow last month preserves this opportunity in the making of peace with Italy, Rumania, Bulgaria, Hungary, and Finland. The United States intends to preserve it when the treaties with Germany and Japan are drawn.

It will be the continuing policy of the United States to use all its influence to foster, support, and develop the United Nations Organization in its purpose of preventing international war. If peace is to endure it must rest upon justice no less than upon power. The question is how justice among nations is best achieved. We know from day-to-day experience that the chance for a just solution is immeasurably increased when everyone directly interested is given a voice. That does not mean that each must enjoy an equal voice, but it does mean that each must be heard.

Last November, Prime Minister Attlee, Prime Minister Mackenzie King, and I announced our proposal that a commission be established within the framework of the United Nations to explore the problems of effective international control of atomic energy.

The Soviet Union, France, and China have joined us in the purpose of introducing in the General Assembly a resolution for the establishment of such a commission. Our earnest wish is that the work of this commission go forward carefully and thoroughly, but with the greatest dispatch. I have great hope for the development of mutually effective safeguards which will permit the fullest international control of this new atomic force.

I believe it possible that effective means can be developed through the United Nations Organization to prohibit, outlaw, and prevent the use of atomic energy for destructive purposes.

The power which the United States demonstrated during the war is the fact that underlies every phase of our relations with other countries. We cannot escape the responsibility which it

thrusts upon us. What we think, plan, say, and do is of profound significance to the future of every corner of the world.

The great and dominant objective of United States foreign policy is to build and preserve a just peace. The peace we seek is not peace for twenty years. It is permanent peace. At a time when massive changes are occurring with lightning speed throughout the world, it is often difficult to perceive how this central objective is best served in one isolated complex situation or another. Despite this very real difficulty, there are certain basic propositions to which the United States adheres and to which we shall continue to adhere.

One proposition is that lasting peace requires genuine understanding and active cooperation among the most powerful nations. Another is that even the support of the strongest nations cannot guarantee a peace unless it is infused with the quality of justice for all nations.

On October 27, 1945, I made, in New York City, the following public statement of my understanding of the fundamental foreign policy of the United States. I believe that policy to be in accord with the opinion of the Congress and of the people of the United States. I believe that that policy carries out our fundamental objectives.

"1. We seek no territorial expansion or selfish advantage. We have no plans for aggression against any other state, large or small. We have no objective which need clash with the peaceful aims of any other nation.

"2. We believe in the eventual return of sovereign rights and self-government to all peoples who have been deprived of them by force.

"3. We shall approve no territorial changes in any friendly part of the world unless they accord with the freely expressed wishes of the people concerned.

"4. We believe that all peoples who are prepared for self-government should be permitted to choose their own form of government by their own freely expressed choice, without interference from any foreign source. That is true in Europe, in Asia, in Africa, as well as in the Western Hemisphere.

"5. By the combined and cooperative action of our war allies, we shall help the defeated enemy states establish peaceful democratic governments

of their own free choice. And we shall try to attain a world in which nazism, fascism, and military aggression cannot exist.

"6. We shall refuse to recognize any government imposed upon any nation by the force of any foreign power. In some cases it may be impossible to prevent forceful imposition of such a government. But the United States will not recognize any such government.

"7. We believe that all nations should have the freedom of the seas and equal rights to the navigation of boundary rivers and waterways and of rivers and waterways which pass through more than one country.

"8. We believe that all states which are accepted in the society of nations should have access on equal terms to the trade and the raw materials of the world.

"9. We believe that the sovereign states of the Western Hemisphere, without interference from outside the Western Hemisphere, must work together as good neighbors in the solution of their common problems.

"10. We believe that full economic collaboration between all nations, great and small, is essential to the improvement of living conditions all over the world, and to the establishment of freedom from fear and freedom from want.

"11. We shall continue to strive to promote freedom of expression and freedom of religion throughout the peace-loving areas of the world.

"12. We are convinced that the preservation of peace between nations requires a United Nations Organization composed of all the peace-loving nations of the world who are willing jointly to use force, if necessary, to insure peace."

That is our foreign policy.

We may not always fully succeed in our objectives. There may be instances where the attainment of those objectives is delayed. But we will not give our full sanction and approval to actions which fly in the face of these ideals.

The world has a great stake in the political and economic future of Germany. The Allied Control Council has now been in operation there for a substantial period of time. It has not met with unqualified success. The accommodation of varying views of four governments in the day-to-day civil administration of occupied territory is a challenging task. In my judgment, however, the Council has made encouraging progress in the

<sup>1</sup> BULLETIN of Oct. 28, 1945, p. 654.

face of most serious difficulties. It is my purpose at the earliest practicable date to transfer from military to civilian personnel the execution of United States participation in the government of occupied territory in Europe. We are determined that effective control shall be maintained in Germany until we are satisfied that the German people have regained the right to a place of honor and respect.

On the other side of the world, a method of international cooperation has recently been agreed upon for the treatment of Japan. In this pattern of control, the United States, with the full approval of its partners, has retained primary authority and primary responsibility. It will continue to do so until the Japanese people, by their own freely expressed choice, choose their own form of government.

Our basic policy in the Far East is to encourage the development of a strong, independent, united, and democratic China. That has been the traditional policy of the United States.

At Moscow the United States, the Union of Soviet Socialist Republics, and Great Britain agreed to further this development by supporting the efforts of the national government and non-governmental Chinese political elements in bringing about cessation of civil strife and in broadening the basis of representation in the Government. That is the policy which General Marshall is so ably executing today.

It is the purpose of the Government of the United States to proceed as rapidly as is practicable toward the restoration of the sovereignty of Korea and the establishment of a democratic government by the free choice of the people of Korea.

At the threshold of every problem which confronts us today in international affairs is the appalling devastation, hunger, sickness, and pervasive human misery that mark so many areas of the world.

By joining and participating in the work of the United Nations Relief and Rehabilitation Administration the United States has directly recognized and assumed an obligation to give such relief assistance as is practicable to millions of innocent and helpless victims of the war. The Congress has earned the gratitude of the world by generous financial contributions to the United Nations Relief and Rehabilitation Administration.

We have taken the lead, modest though it is, in facilitating under our existing immigration quotas the admission to the United States of refugees and displaced persons from Europe.

We have joined with Great Britain in the organization of a commission to study the problem of Palestine. The Commission is already at work and its recommendations will be made at an early date.

The members of the United Nations have paid us the high compliment of choosing the United States as the site of the United Nations headquarters. We shall be host in spirit as well as in fact, for nowhere does there abide a fiercer determination that this peace shall live than in the hearts of the American people.

It is the hope of all Americans that in time future historians will speak not of World War I and World War II, but of the first and last world wars.

## 2. Foreign Economic Policy

The foreign economic policy of the United States is designed to promote our own prosperity, and at the same time to aid in the restoration and expansion of world markets and to contribute thereby to world peace and world security. We shall continue our efforts to provide relief from the devastation of war, to alleviate the sufferings of displaced persons, to assist in reconstruction and development, and to promote the expansion of world trade.

We have already joined the International Monetary Fund and the International Bank for Reconstruction and Development. We have expanded the Export-Import Bank and provided it with additional capital. The Congress has renewed the Trade Agreements Act which provides the necessary framework within which to negotiate a reduction of trade barriers on a reciprocal basis. It has given our support to the United Nations Relief and Rehabilitation Administration.

In accordance with the intentions of the Congress, lend-lease, except as to continued military lend-lease in China, was terminated upon surrender of Japan. The first of the lend-lease settlement agreements has been completed with the United Kingdom. Negotiations with other lend-lease countries are in progress. In negotiating these agreements, we intend to seek settlements which will not encumber world trade through war debts of a character that proved to be so detri-



mental to the stability of the world economy after the last war.

We have taken steps to dispose of the goods which on VJ-day were in the lend-lease pipe line to the various lend-lease countries and to allow them long-term credit for the purpose where necessary. We are also making arrangements under which those countries may use the lend-lease inventories in their possession and acquire surplus property abroad to assist in their economic rehabilitation and reconstruction. These goods will be accounted for at fair values.

The proposed loan to the United Kingdom, which I shall recommend to the Congress in a separate message, will contribute to easing the transition problem of one of our major partners in the war. It will enable the whole sterling area and other countries affiliated with it to resume trade on a multilateral basis. Extension of this credit will enable the United Kingdom to avoid discriminatory trade arrangements of the type which destroyed freedom of trade during the 1930's. I consider the progress toward multilateral trade which will be achieved by this agreement to be in itself sufficient warrant for the credit.

The view of this Government is that, in the longer run, our economic prosperity and the prosperity of the whole world are best served by the elimination of artificial barriers to international trade, whether in the form of unreasonable tariffs or tariff preferences or commercial quotas or embargoes or the restrictive practices of cartels.

The United States Government has issued proposals for the expansion of world trade and employment to which the Government of the United Kingdom has given its support on every important issue. These proposals are intended to form the basis for a trade and employment conference to be held in the middle of this year. If that conference is a success, I feel confident that the way will have been adequately prepared for an expanded and prosperous world trade.

We shall also continue negotiations looking to the full and equitable development of facilities for transportation and communications among nations.

The vast majority of the nations of the world have chosen to work together to achieve, on a cooperative basis, world security and world prosperity. The effort cannot succeed without full cooperation of the United States. To play our part, we must not only resolutely carry out the foreign policies

we have adopted but also follow a domestic policy which will maintain full production and employment in the United States. A serious depression here can disrupt the whole fabric of the world economy.

### 3. Occupied Countries

The major tasks of our Military Establishment in Europe following VE-day, and in the Pacific since the surrender of Japan, have been those of occupation and military government. In addition we have given much-needed aid to the peoples of the liberated countries.

The end of the war in Europe found Germany in a chaotic condition. Organized government had ceased to exist, transportation systems had been wrecked, cities and industrial facilities had been bombed into ruins. In addition to the tasks of occupation we had to assume all of the functions of government. Great progress has been made in the repatriation of displaced persons and of prisoners of war. Of the total of 3,500,000 displaced persons found in the United States zone only 460,000 now remain.

The extensive complications involved by the requirement of dealing with three other governments engaged in occupation and with the governments of liberated countries require intensive work and energetic cooperation. The influx of some 2 million German refugees into our zone of occupation is a pressing problem, making exacting demands upon an already overstrained internal economy.

Improvements in the European economy during 1945 have made it possible for our military authorities to relinquish to the governments of all liberated areas, or to the United Nations Relief and Rehabilitation Administration, the responsibility for the provision of food and other civilian relief supplies. The Army's responsibilities in Europe extend now only to our zones of occupation in Germany and Austria and to two small areas in northern Italy.

By contrast with Germany, in Japan we have occupied a country still possessing an organized and operating governmental system. Although severely damaged, the Japanese industrial and transportation systems have been able to insure at least a survival existence for the population. The repatriation of Japanese military and civilian personnel from overseas is proceeding as rapidly as shipping and other means permit.

In order to insure that neither Germany nor Japan will again be in a position to wage aggressive warfare, the armament-making potential of these countries is being dismantled and fundamental changes in their social and political structures are being effected. Democratic systems are being fostered to the end that the voice of the common man may be heard in the councils of his government.

For the first time in history the legal culpability of war makers is being determined. The trials now in progress in Nürnberg—and those soon to begin in Tokyo—bring before the bar of international justice those individuals who are charged with the responsibility for the sufferings of the past six years. We have high hope that this public portrayal of the guilt of these evildoers will bring wholesale and permanent revulsion on the part of the masses of our former enemies against war, militarism, aggression, and notions of race superiority.

#### 4. Demobilization of Our Armed Forces

The cessation of active campaigning does not mean that we can completely disband our fighting forces. For their sake and for the sake of their loved ones at home, I wish that we could. But we still have the task of clinching the victories we have won—of making certain that Germany and Japan can never again wage aggressive warfare, that they will not again have the means to bring on another world war. The performance of that task requires that, together with our allies, we occupy the hostile areas, complete the disarmament of our enemies, and take the necessary measures to see to it that they do not rearm.

As quickly as possible, we are bringing about the reduction of our armed services to the size required for these tasks of occupation and disarmament. The Army and the Navy are following both length-of-service and point systems as far as possible in releasing men and women from the service. The points are based chiefly on length and character of service, and on the existence of dependents.

Over 5 million from the Army have already passed through the separation centers.

The Navy, including the Marine Corps and the Coast Guard, has discharged over one and a half million.

Of the 12 million men and women serving in the

Army and Navy at the time of the surrender of Germany, one-half have already been released. The greater part of these had to be brought back to this country from distant parts of the world.

Of course, there are cases of individual hardship in retention of personnel in the service. There will be in the future. No system of such size can operate to perfection. But the systems are founded on fairness and justice, and they are working at full speed. We shall try to avoid mistakes, injustices, and hardship—as far as humanly possible.

We have already reached the point where shipping is no longer the bottleneck in the return of troops from the European theater. The governing factor now has become the requirement for troops in sufficient strength to carry out their missions.

In a few months the same situation will exist in the Pacific. By the end of June, 9 out of 10 who were serving in the armed forces on VE-day will have been released. Demobilization will continue thereafter, but at a slower rate, determined by our military responsibilities.

Our national safety and the security of the world will require substantial armed forces, particularly in overseas service. At the same time it is imperative that we relieve those who have already done their duty, and that we relieve them as fast as we can. To do that, the Army and the Navy are conducting recruiting drives with considerable success.

The Army has obtained nearly 400,000 volunteers in the past four months, and the Navy has obtained 80,000. Eighty percent of these volunteers for the regular service have come from those already with the colors. The Congress has made it possible to offer valuable inducements to those who are eligible for enlistment. Every effort will be made to enlist the required number of young men.

The War and Navy Departments now estimate that by a year from now we still will need a strength of about 2 million, including officers, for the armed forces—Army, Navy, and Air. I have reviewed their estimates and believe that the safety of the Nation will require the maintenance of an armed strength of this size for the calendar year that is before us.

In case the campaign for volunteers does not produce that number, it will be necessary by additional legislation to extend the Selective Service Act beyond May 16, the date of expiration under existing

law. That is the only way we can get the men and bring back our veterans. There is no other way. Action along this line should not be postponed beyond March, in order to avoid uncertainty and disruption.

### *Recommendations for Specific Federal Activities*

#### **1. War Liquidation and National Defense**

##### *(a) War expenditures*

The fiscal year 1947 will see a continuance of war liquidation and occupation. During this period we shall also lay the foundation for our peacetime system of national defense.

In the fiscal year that ended on June 30, 1945, almost wholly a period of global warfare, war expenditures amounted to 90.5 billion dollars. For the fiscal year 1946 war expenditures were originally estimated at 70 billion dollars. That estimate was made a year ago while we were still engaged in global warfare. After victory over Japan this estimate was revised to 50.5 billion dollars. Further cut-backs and accelerated demobilization have made possible an additional reduction in the rate of war spending. During the first 6 months 32.9 billion dollars were spent. It is now estimated that 16.1 billion dollars will be spent during the second 6 months, or a total of 49 billion dollars during the whole fiscal year.

For the fiscal year 1947 it is estimated, tentatively, that expenditures for war liquidation, for occupation, and for national defense will be reduced to 15 billion dollars. The War and Navy Departments are expected to spend 13 billion dollars; expenditures of other agencies, such as the United States Maritime Commission, the War Shipping Administration, and the Office of Price Administration, and payments to the United Nations Relief and Rehabilitation Administration are estimated at 3 billion dollars. Allowing for estimated net receipts of 1 billion dollars arising from war activities of the Reconstruction Finance Corporation, the estimated total of war expenditures is 15 billion dollars. At this time only a tentative break-down of the total estimate for war and defense activities can be indicated.

An expenditure of 15 billion dollars for war liquidation, occupation, and national defense is a large sum for a year which begins 10 months after fighting has ended. It is 10 times our expenditures for defense before the war; it amounts

to about 10 percent of our expected national income. This estimate reflects the immense job that is involved in winding up a global war effort and stresses the great responsibility that victory has placed upon this country. The large expenditures needed for our national defense emphasize the great scope for effective organization in furthering economy and efficiency. To this end I have recently recommended to the Congress adoption of legislation combining the War and Navy Departments into a single Department of National Defense.

A large part of these expenditures is still to be attributed to the costs of the war. Assuming, somewhat arbitrarily, that about one-half of the 15-billion-dollar outlay for the fiscal year 1947 is for war liquidation, aggregate expenditures by this Government for the second World War are now estimated at 347 billion dollars through June 30, 1947. Of this, about 9 billion dollars will have been recovered through renegotiation and sale of surplus property by June 30, 1947; this has been reflected in the estimates of receipts.

*Demobilization and strength of armed forces.*—Demobilization of our armed forces is proceeding rapidly. At the time of victory in Europe, about 12.3 million men and women were in the armed forces; 7.6 million were overseas. By the end of December 1945 our armed forces had been reduced to below 7 million. By June 30, 1946, they will number about 2.9 million, of whom 1.8 million will be individuals enlisted and inducted after VE-day. Mustering-out pay is a large item of our war liquidation expense; it will total 2.5 billion dollars in the fiscal year 1946, and about 500 million dollars in the fiscal year 1947.

In the fiscal year 1947 the strength of our armed forces will still be above the ultimate peacetime level. As I have said, War and Navy Department requirements indicate a strength of about 2 million in the armed forces a year from now. This is necessary to enable us to do our share in the occupation of enemy territories and in the preservation of peace in a troubled world. Expenditures for pay, subsistence, travel, and miscellaneous expenses of the armed forces, excluding mustering-out pay, are estimated at 5 billion dollars.

*Contract settlement and surplus property disposal.*—The winding up of war procurement is the second most important liquidation job. By the end of November a total of 301,000 prime contracts involving commitments of 64 billion dollars had



been terminated. Of this total, 67,000 contracts with commitments of 35 billion dollars remained to be settled. Termination payments on these contracts are estimated at about 3.5 billion dollars. It is expected that more than half of these terminated contracts will be settled during the current fiscal year, leaving payments of about 1.5 billion dollars for the fiscal year 1947.

Another important aspect of war supply liquidation is the disposal of surplus property. Munitions, ships, plants, installations, and supplies, originally costing 50 billion dollars or more, will ultimately be declared surplus. The sale value of this property will be far less than original cost and disposal expenses are estimated at 10 to 15 cents on each dollar realized. Disposal units within existing agencies have been organized to liquidate surplus property under the direction of the Surplus Property Administration. Overseas disposal activities have been centralized in the State Department to permit this program to be carried on in line with over-all foreign policy. Thus far only about 13 billion dollars of the ultimate surplus, including 5 billion dollars of unsalable aircraft, has been declared. Of this amount, 2.3 billion dollars have been disposed of, in sales yielding 600 million dollars. The tremendous job of handling surplus stocks will continue to affect Federal expenditures and receipts for several years. The speed and effectiveness of surplus disposal operations will be of great importance for the domestic economy as well as for foreign economic policies.

*War supplies, maintenance, and relief.*—Adequate provision for the national defense requires that we keep abreast of scientific and technical advances. The tentative estimates for the fiscal year 1947 make allowance for military research, limited procurement of weapons in the developmental state, and some regular procurement of munitions which were developed but not mass-produced when the war ended. Expenditures for procurement and construction will constitute one-third or less of total defense outlays, compared to a ratio of two-thirds during the war years.

The estimates also provide for the maintenance of our war-expanded naval and merchant fleets, military installations, and stocks of military equipment and supplies. Our naval combatant fleet is three times its pre-Pearl Harbor tonnage. Our Merchant Marine is five times its prewar size. The

War Department has billions of dollars worth of equipment and supplies. Considerable maintenance and repair expense is necessary for the equipment which we desire to retain in active status or in war reserve. Expenses will be incurred for winnowing the stocks of surpluses, for preparing lay-up facilities for the reserve fleets, and for storage of reserve equipment and supplies.

Military expenditures in the current fiscal year include 650 million dollars for civilian supplies for the prevention of starvation and disease in occupied areas. Expenditures on this account will continue in the fiscal year 1947. The war expenditures also cover the expenses of civilian administration in occupied areas.

During the war, 15 cents of each dollar of our war expenditures was for lend-lease aid. With lend-lease terminated, I expect the direct operations under this program to be substantially completed in the current fiscal year. The expenditures estimated for the fiscal year 1947 under this program are mainly interagency reimbursements for past transactions.

Relief and rehabilitation expenditures are increasing. It is imperative that we give all necessary aid within our means to the people who have borne the ravages of war. I estimate that in the fiscal year 1946 expenditures for the United Nations Relief and Rehabilitation Administration will total 1.3 billion dollars and in the following year 1.2 billion dollars. Insofar as possible, procurement for this purpose will be from war surpluses.

#### *(b) Authorizations for War and national defense*

During the war, authorizations and appropriations had to be enacted well in advance of obligation and spending to afford ample time for planning of production by the procurement services and by industry. Thus our cumulative war program authorized in the period between July 1, 1940, and July 1, 1945, was 431 billion dollars, including net war commitments of Government corporations. Expenditures against those authorizations totaled 290 billion dollars. This left 141 billion dollars in unobligated authorizations and unliquidated obligations.

With the end of fighting, it became necessary to adjust war authorizations to the requirements of war liquidation and continuing national defense. Intensive review of the war authorizations by both the executive and the legislative

branches has been continued since VJ-day. As a result, the authorized war program is being brought more nearly into line with expenditures.

*Rescissions and authorizations through the fiscal year 1946.*—Readjusting the war program, as the Congress well knows, is not an easy task. Authorizations must not be too tight, lest we hamper necessary operations; they must not be too ample, lest we lose control of spending. Last September, I transmitted to the Congress recommendations on the basis of which the Congress voted H.R. 4407 to repeal 50.3 billion dollars of appropriations and authorizations. I found it necessary to veto this bill because it was used as a vehicle for legislation that would impair the reemployment program. However, in order to preserve the fine work of the Congress on the rescissions, I asked the Director of the Bureau of the Budget to place the exact amounts indicated for repeal in a nonexpendable reserve, and to advise the departments and agencies accordingly. This has been done.

#### 8. International Financial Programs

I have already outlined the broad objectives of our foreign economic policy. In the present section I shall indicate the Federal outlays which the execution of these programs may require in the fiscal years 1946 and 1947.

(a) On the termination of lend-lease, the lend-lease countries were required to pay for goods in the lend-lease pipe line either in cash or by borrowing from the United States or by supplying goods and services to the United States. Credits for this purpose have already been extended to the Soviet Union, France, the Netherlands, and Belgium amounting to 675 million dollars. The settlement credit of 650 million dollars to the United Kingdom includes an amount preliminarily fixed at 118 million dollars which represents the excess of purchases by the United Kingdom from the pipe line over goods and services supplied by the United Kingdom to the United States since VJ-day and the balance of various claims by one government against the other.

Credits are also being negotiated with lend-lease countries to finance the disposition of lend-lease inventories and installations and property declared to be surplus. For instance, 532 million

dollars of the settlement credit to the United Kingdom is for this purpose. These credits will involve no new expenditures by this Government, since they merely provide for deferred repayment by other governments for goods and services which have been financed from war appropriations.

(b) Expenditures from the appropriations to United Nations Relief and Rehabilitation Administration, which were discussed under war expenditures above, are estimated to be 1.3 billion dollars in the fiscal year 1946 and 1.2 billion dollars in the fiscal year 1947.

(c) To assist other countries in the restoration of their economies the Export-Import Bank has already negotiated loans in the fiscal year 1946 amounting in total to about 1,010 million dollars and an additional 195 million dollars will probably be committed shortly. The Bank is also granting loans to carry out its original purpose of directly expanding the foreign trade of the United States. In this connection the Bank has established a fund of 100 million dollars to finance the export of cotton from the United States. The Export-Import Bank has thus loaned or committed approximately 1,300 million dollars during the current fiscal year and it is expected that demands on its resources will increase in the last 6 months of the fiscal year 1946. Requests for loans are constantly being received by the Bank from countries desiring to secure goods and services in this country for the reconstruction or development of their economies. On July 31, 1945, the lending authority of the Export-Import Bank was increased to a total of 3,500 million dollars. I anticipate that during the period covered by this Budget the Bank will reach this limit. The bulk of the expenditures from the loans already granted will fall in the fiscal year 1946 while the bulk of the expenditures from loans yet to be negotiated will fall in the fiscal year 1947. In view of the urgent need for the Bank's credit, I may find it necessary to request a further increase in its lending authority at a later date.

(d) The proposed line of credit of 3,750 million dollars to the United Kingdom will be available up to the end of 1951 and will be used to assist the United Kingdom in financing the deficit in its balance of payments during the transition period. The rate at which the United Kingdom will draw on the credit will depend on the rapidity with which it can reconvert its economy and adapt its trade to the postwar world. The anticipated rate

of expenditure is likely to be heaviest during the next 2 years.

(e) Since the Bretton Woods Agreements have now been approved by the required number of countries, both the International Monetary Fund and the International Bank for Reconstruction and Development will commence operations during 1946. The organization of these institutions will undoubtedly take some time, and it is unlikely that their operations will reach any appreciable scale before the beginning of the fiscal year 1947.

Of the 2,750 million dollars required for the Fund, 1,800 million dollars will be provided in cash or notes from the exchange stabilization fund established under the Gold Reserve Act of 1934. The remaining 950 million dollars will be paid initially in the form of non-interest-bearing notes issued by the Secretary of the Treasury. It is not anticipated that the Fund will require in cash any of the 950 million dollars during the fiscal years of 1946 and 1947. Consequently, no cash withdrawals from the Treasury will be required in connection with the Fund in these years.

The subscription to the Bank amounts to 3,175 million dollars. Of this total, 2 percent must be paid immediately and the Bank is required to call a further 8 percent of the subscription during its first year of operations. The balance of the subscription is payable when required by the Bank either for direct lending or to make good its guarantees. It is likely that the United States will be required to pay little if any more than the initial 10 percent before the end of the fiscal year 1947.

I anticipate that net expenditures of the Export-Import Bank and expenditures arising from the British credit and the Bretton Woods Agreements will amount to 2,614 million dollars, including the non-cash item of 950 million dollars for the Fund, in the fiscal year of 1946, and 2,754 million dollars in the fiscal year 1947.

Expenditures for our share of the administrative budgets of the United Nations and other permanent international bodies will increase sharply in the fiscal year 1947, yet will remain a small part of our total Budget. The budget for the United Nations has not yet been determined; an estimate for our contribution will be submitted

later. Our contributions to the Food and Agriculture Organization, the International Labor Office, the Pan American Union, and other similar international agencies will aggregate about 3 million dollars for the fiscal year 1947. The administrative expenses of the International Monetary Fund and the International Bank will be met from their general funds.

We have won a great war—we, the nations of plain people who hate war. In the test of that war we found a strength of unity that brought us through—a strength that crushed the power of those who sought by force to deny our faith in the dignity of man.

During this trial the voices of disunity among us were silent or were subdued to an occasional whine that warned us that they were still among us. Those voices are beginning to cry aloud again. We must learn constantly to turn deaf ears to them. They are voices which foster fear and suspicion and intolerance and hate. They seek to destroy our harmony, our understanding of each other, our American tradition of "live and let live." They have become busy again, trying to set race against race, creed against creed, farmer against city dweller, worker against employer, people against their own governments. They seek only to do us mischief. They must not prevail.

It should be impossible for any man to contemplate without a sense of personal humility the tremendous events of the 12 months since the last annual Message, the great tasks that confront us, the new and huge problems of the coming months and years. Yet these very things justify the deepest confidence in the future of this Nation of free men and women.

The plain people of this country found the courage and the strength, the self-discipline, and the mutual respect to fight and to win, with the help of our allies, under God. I doubt if the tasks of the future are more difficult. But if they are, then I say that our strength and our knowledge and our understanding will be equal to those tasks.

HARRY S. TRUMAN

January 14, 1946



# General Assembly of the United Nations

## STATEMENT BY THE SECRETARY OF STATE ON CONTROL OF ATOMIC ENERGY

I WISH to make a short statement in support of the very able report just made to the General Assembly by the Political and Security Committee.

The United Nations were obliged to unite in war to preserve their common freedom. The United Nations are now committed to remain united to preserve their common peace. We won the war against aggression and tyranny by fighting together. We must now keep the peace by working together.

The report filed by the Committee calls upon us to join in creating a commission to study from the point of view of international control the problems created by the discovery of atomic energy and of other forces capable of mass destruction. It calls upon us to find ways which will permit and promote the use of our knowledge of the forces of nature for the benefit of mankind under safeguards which will prevent their use for destructive purposes.

Science is a monopoly of no one nation. The discovery of atomic energy like other great scientific discoveries is based on early discoveries and the research of many inquiring minds in many countries. In a number of countries scientists were probing into the field of atomic energy before the war started. The United States, United Kingdom, and Canada decided to pool their knowledge, and the United States at a cost of 2 billion dollars pressed forward with research and developments to insure that the nations fighting to preserve freedom on this earth should not lag in the race to discover the secret of the atom. We entered the race not to destroy but to save civilization, but if the race continues uncontrolled the civilization we hoped to save may be destroyed.

The problems presented by the discovery of atomic energy and of other forces capable of mass destruction cannot be solved by any one nation. They are the common responsibility of all nations, and each of us must do our part in meeting them. In meeting these problems we must realize that in this atomic age and in this interdependent world our common interests in preserving the

peace far outweigh any possible conflict in interest that might divide us.

At this first session of the General Assembly we must begin to put less emphasis on our particular viewpoint and particular interests and seek with all our hearts and all our minds to find means of reconciling our views and our interests for the common good of all humanity. Peace and reconciliation cannot be achieved by unilateral action. Peace and reconciliation require common action. That is why the more tasks we set for ourselves the more we are likely to come to understand each other's problems and interests. And certainly the problem of devising the necessary safeguards to insure that atomic energy will be used for the benefit of humanity and not for its destruction is a common problem. To consider this and other common problems in the spirit of peace and reconciliation, we must get back to conditions of peace.

There will be need for the continuation for some time to come of armies of occupation in Germany and Japan, but it will not make for a peaceful world to have armies of occupation remain in countries which we hope will soon join us in the United Nations.

We must see that the world ceases to be an armed camp. We must see that peace treaties with the states which were brought into unwilling partnership with the Axis powers are promptly concluded and occupation forces withdrawn. We must begin to live together and to work together.

I hope that the General Assembly will promptly approve the resolution which is before it. I hope that the Commission will promptly set to work on its tasks. It will be comforting to the peace-loving peoples of the world to know that we are moving promptly to endeavor to find ways to avoid a race in armament.

We who fought together for freedom must now show that we are worthy of the freedom that we have won.

\* Made at the 17th plenary session of the General Assembly in London on Jan. 24 and released to the press on the same date.

## REPORT FROM LONDON TO THE OFFICE OF PUBLIC AFFAIRS, DEPARTMENT OF STATE

LONDON, Feb. 1.—The unanimous Security Council decision this week to retain "a continuing concern" in negotiations between the Soviet Union and Iran has led the United Nations through its first political test to a stronger and more confident position. This precedent-setting decision together with the Council's nomination of Trygve Lie, Norwegian Foreign Minister, to the post of Secretary-General were the two leading actions in the third full week of activity of the United Nations General Assembly. The "situation in northern Iran" provided the basis for more than six hours of intense discussion and much "plain talk" by Council members. As a result direct negotiations will be resumed by the Soviet Union and Iran for the purpose of arriving at a solution acceptable to the Security Council as well as the two countries involved. Compromise between the two extreme stands of Iran and the Soviet Union was achieved in a resolution presented in its final form by British Foreign Minister Ernest Bevin and adopted unanimously by the Council. Text of the resolution says:

"Having heard the statement by the representatives of the Soviet Union and Iran in the course of the meeting on January 28 and 30 and having taken cognizance of the documents presented by the Soviet and Iranian Delegations and those referred to in the course of the debate and considering that both parties have affirmed their readiness to seek a solution of the matter at issue by negotiation and that such negotiations will be resumed in the near future, the Council requests the parties to inform the Council of any results achieved in such negotiations. The Council in the meanwhile retains the right to request information on the progress of the negotiations at any time."

Briefly, the situation in northern Iran arises from the allegation that Soviet troops prevented Iranian police contingents from crossing into the Iranian province of Azerbaijan to suppress a separatist group reported attempting to set up an independent state. During the course of the Council discussion U. S. Chief Delegate Edward R. Stettinius urged that the matter be retained on the

Security Council agenda. In helping to achieve a successful solution, Mr. Stettinius agreed to withdraw his demand provided it was clearly understood that the dispute would be a matter of "continuing concern" to the Council until it was settled in conformity with the principles of the United Nations Charter.

## Nomination of Trygve Lie

Nomination of Trygve Lie culminated several weeks of informal Security Council discussions. Lie's name had once before been brought before the Assembly in the balloting for presidency of the General Assembly, in which he was strongly supported by the American Delegation. The Council voted 11-0 to bring Lie's name before the Assembly for final approval.

## Organizing the Secretariat

The Secretary-General, chief administrative officer of the Organization, receives an annual salary of \$20,000 plus an additional \$20,000 for expenses as well as a furnished residence at United Nations headquarters. Among his immediate tasks is to take steps to establish an administrative organization which will permit the effective discharge of his administrative and general responsibilities under the Charter and the efficient performance of those functions and services required to meet the needs of the several organs of the United Nations. In this latter connection, he will be required to name assistant secretaries-general to head the principal units of the Secretariat. They are:

1. Department of Security Council Affairs
2. Department of Economic Affairs
3. Department of Social Affairs
4. Department for Trusteeship and Information from Non-Self-Governing Territories
5. Department of Public Information
6. Legal Department
7. Conference and General Services
8. Administrative and Financial Services.

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Because of delay in transmission, it will be necessary to print the complete report of Feb. 1 from London in the BULLETIN of Feb. 10.

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# Philippine Foreign Affairs Training Program

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Article by EDWARD W. MILL

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**A** PHILIPPINE FOREIGN AFFAIRS Training Program designed to assist the Filipinos in preparing for the conduct of their own foreign relations when independence is granted on July 4, 1946 is now in progress in the Department of State.

## Origins of Program

This program is the outgrowth of preliminary studies made several years ago by representatives of the Department of State. The recent war and the subsequent occupation of the Philippines by the Japanese interrupted plans of the Department for developing an active training program, but with the end of the war in the Pacific definite steps were again taken to devise plans to assist in developing a Philippine Foreign Service after independence and to aid in the work incident to establishing a Department of Foreign Affairs for the new republic.

## Participation in Foreign Service Officers' Training School

On December 3, 1945 the first group of Filipino trainees, consisting of José F. Imperial, Tiburcio C. Baja, Vicente I. Singian, Manuel A. Adeva, and Candido T. Elbo, entered the Department to begin their training under the central supervision of the Division of Philippine Affairs. This group participated in most of the recent sessions of the Foreign Service Officers' Training School.

During the first week in the Foreign Service School the trainees attended a series of general orientation lectures on the work of the Department and the work of the Foreign Service. Malcolm Morrow, Chief of the Division of Public In-

Mr. Mill is Acting Assistant Chief of the Division of Philippine Affairs, Office of Far Eastern Affairs, Department of State.

quiries, Government Information Service, Bureau of the Budget, spoke on the "Organization of the Federal Government", and Walton C. Ferris, Foreign Service officer detailed as Inspector, discussed the "Organization of the Foreign Service". John F. Simmons, American Ambassador Extraordinary and Plenipotentiary to El Salvador, talked to the group on "How a Diplomatic Mission Operates".

In the second week of work Nelson T. Johnson, American Envoy Extraordinary and Minister Plenipotentiary to Australia, spoke on the subject, "Conduct and Contacts Abroad", and a special conference was held for the Filipino trainees on the organization and functioning of the Office of the Foreign Service, by Selden Chapin, Director of the Office of the Foreign Service, and Julian F. Harrington, Deputy Director of the Office of the Foreign Service.

During the third week special citizenship work was conducted for the Philippine group by Eugene C. Rowley, member of the Board of Review of the Passport Division.

During the fourth week the trainees heard a lecture on "Writing of Economic Reports" by William C. Trimble, Assistant Chief of the Division of Northern European Affairs, and a lecture on "Handling of Political and Economic Reports in the Department of State" by Roger L. Heacock, Foreign Service officer, Chief of the Commercial Liaison Section of the Division of Central Services. Perry N. Jester, Acting Chief of the Division of Training Services, also lectured on "Service Etiquette".

In the fifth week the trainees participated in work on shipping and on commercial treaties.

Other important and instructive lectures were given during this intensive six weeks' session of the Foreign Service Officers' Training School.



### Other Work Arranged by Division of Philippine Affairs

In addition to the work in the Foreign Service Officers' Training School, the trainees have participated in other work and lectures arranged by the Division of Philippine Affairs. Specialists in the Passport, Visa, Commercial Policy, and Shipping Divisions conducted special classes for the trainees in their fields of work. A representative of the Bureau of the Budget, Walter C. Laves, discussed the over-all subject of the conduct of foreign relations by a modern government. The trainees have submitted regular reports on various phases of the work and have taken a series of examinations. Each Friday a general review session on the work of the week has been held in the Division of Philippine Affairs.

### Plans To Assign Filipinos to Embassies and Consulates for Training

With the completion of the first phase of the work in the Department, it is now hoped to assign some of the trainees to American embassies and consulates abroad where they will receive practical training in the field. Estimates regarding the length of the time required for the field training vary, but a period of three months is under consideration.

After their training has been completed in the Department and abroad, it is expected that most of the trainees will be assigned to responsible positions in the new Philippine Department of Foreign Affairs and Foreign Service which will be created with independence on July 4. Already an act creating an Office of Foreign Relations has been passed by the Philippine Congress and approved by President Osmeña. Since foreign relations continue to be under the "direct supervision and control of the United States" during the pre-independence period,<sup>1</sup> the functions of this new office are now confined to plans for organization of the future Department of Foreign Affairs and the training of the necessary personnel. A preliminary step has, however, been taken in the creation of this office.

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### Proposed Philippine Department of Foreign Affairs

Representatives of the Department of State and the Philippine Commonwealth Government have exchanged plans of organization for the new Philippine Department of Foreign Affairs. One plan submitted by the Commonwealth Government provides for a department headed by a secretary under whom there will be a permanent career under secretary and three assistant secretaries, one for political affairs, one for economic affairs, and one for administrative affairs. Under each of these assistant secretaries would be a group of divisions totaling eight. This plan of organization is still subject to change, but it is believed that the basic outlines of the plan will be adopted. The Philippine Department of Foreign Affairs will necessarily be small compared with that of the United States Department of State.

### Proposed Foreign Service

It is expected that the Foreign Service of the Philippine Republic will be organized on a strictly career basis. One plan submitted provides that all members of the Philippine Department of Foreign Affairs and diplomatic and consular missions belong to one Foreign Service. It will be necessary for the Philippine Government to draw up a basic organization statute for the Foreign Service as well as to fix a set of rules and regulations to govern its activities. A final organization of the Service will not take place before independence.

### Additional Trainees Expected in Near Future

Additional groups of Filipino Foreign Affairs trainees are expected to arrive in the Department early in 1946. These new trainees are being selected on the basis of ability and character as well as on the basis of proven loyalty to the United States and Commonwealth Governments. They will add to the group of Filipinos trained to carry on the foreign affairs of their country after independence arrives on July 4, 1946.

<sup>1</sup> Sec. 2 (a-10) of the Tydings-McDuffie act and sec. 10 of the ordinance appended to the Philippine Constitution.

## Procedure and Principles Involved In Individual Trusteeship

ACTING SECRETARY ACHESON opened his press and radio conference on January 22 by recalling that a correspondent had asked the previous week whether the requirement of unanimity among the five permanent members of the Security Council put an impediment in the way of working out an individual trusteeship by which this country could fortify some area which it regarded as necessary for its defense. He said he had looked into this question and thought he was fairly clear. Mr. Acheson explained that the procedure and the basic principles involved were as follows: that if the nations principally concerned in the particular area desired to propose a trusteeship as a strategic area, these nations propose that to the Security Council and negotiate with the Security Council. In certain cases, he pointed out, a nation in possession of the area—whether by mandate or by right of military conquest—would be the principal leader in those negotiations. Explaining that it is provided that in a vote upon such a proposal the Council would have to vote under the provisions which require assenting votes of five permanent members, the Acting Secretary said that any one of the permanent members could refuse to agree in the negotiations. He added that a result of failure to agree was to leave the situation as it was, so that if this country were in possession of one of these areas and there was failure to agree, it simply would remain where it was before. If they agree, he continued, there would be a trusteeship agreement which presumably is satisfactory to the nations which propose it or otherwise they would not agree to it. The Acting Secretary pointed out that after a trusteeship agreement had been entered into in a strategic area, it could not be changed without the consent of the Security Council and therefore it could not be changed without the consent of the United States. Mr. Acheson said that he thought this discussion brought out the significance of agreement: namely, the requirement that there would be an agreement by the five principal powers who would operate chiefly in, perhaps, making the ne-

gotiations more lengthy in the first instance but making them more final after they had been made, always with the fact in mind that, if there is no agreement, then you stay where you were before you started the negotiations.

In other words, a correspondent inquired, if the United States wanted to hold Okinawa, fortify it, and have it under an individual trusteeship, it could take up that matter of fortification as condition precedent to that trusteeship, and, if that were not agreed to, we could fortify it? Replying in the affirmative, Mr. Acheson explained that at the very outset the party initiating the negotiation has to state whether this is a strategic area or non-strategic area. He pointed out that, if it is a non-strategic area, negotiation is with the Trusteeship Council and the final approval is by the General Assembly, that if it is a strategic area, the opposite negotiating party is the Security Council.

Asked what constituted the states directly concerned, the Acting Secretary said that he presumed that that would have to be settled by diplomatic negotiation. He added that there are obvious states which would be concerned in any Japanese former mandate—those states which had residual treaty rights in the area at the time the mandate was created and perhaps any others which put forward claim, which might or might not be recognized by those obviously legally entitled to speak. Asked whether the fact that Okinawa was taken in the name of the Allied Supreme Command might be made basis of claim by other powers about interest in its final disposition, Mr. Acheson replied in the affirmative, adding that that would have to be ironed out by diplomatic negotiation.

When asked whether this Government does not have to be awarded an area at a peace conference prior to decisions of trusteeship, Mr. Acheson said that he did not think that was necessary, saying that you can proceed in any order that the nations concerned think best. Asked whether the formula with reference to trusteeship protected the interest of the United States, the Acting Secretary said he thought that as the result of the San Francisco

hearing, sound results were carefully worked out which protected the interest of powers.

Asked whether a trusteeship agreement would take treaty form and be subject to congressional or senatorial review, the Acting Secretary explained that in some areas, the United States had a dual interest, part of which is a result of treaties made after the last war in which Germany, Japan, and other powers concerned recognized that this Government was one of the Principal Allied and Associated Powers and had whatever interest in these mandated areas these powers had, thereby giving the United States an interest created by treaty. If that interest were going to be changed or removed from this Government, Mr. Acheson presumed, it would be done by a document as legally significant as the one which created it. He added under questioning that he assumed the proper legal form would be found through participation of Congress, by treaty or some legislation.

A correspondent said that there was fear in some of the British Dominions that some of the mandates granted them in the Pacific, which the United States occupied militarily to drive the Japanese out, may be considered by Americans as highly important strategic areas for the safety of the United States, and asked how that would be ironed out. Mr. Acheson said he supposed that that would have to be worked out by agreement between the United States and the Dominions and that perhaps the Security Council would come into it too. Asked whether, in its thinking about island questions, the Department separated mandated islands from Japanese possessions such as the Bonins, the Acting Secretary said that he thought legally it did. He said that it would not if it were considering them from a strategic point of view, but that there were different legal considerations involved.

Asked if our Allies had recognized this Government's right to these Pacific islands, the Acting Secretary said he did not think the question had been raised. A correspondent said that that seemed to him like a question that only a peace conference could settle. Mr. Acheson asserted that he did not think there was any magic in the words "peace conference", adding that it was settled by international agreement.

When a correspondent said that it was his understanding that the Kuriles were given to

the Russians by secret agreement at Yalta, the Acting Secretary said that as he understood the situation was a matter of occupation, not a final award.

Asked how the United States could prepare to make an agreement with the United Nations for an island which possibly the Soviet Union, Britain, or China might want to have as their property, Mr. Acheson explained that if they had such ambitions, they would put them forward and they would then assert a position as a nation concerned and that position would either be recognized or not by those who were conducting the negotiation.

## Wheat Shipments to Liberated Areas

### DIRECTIVE FROM THE PRESIDENT

*Sent on January 25 to the Secretaries of State, Agriculture, War, Navy, and Labor, the Administrator of the War Shipping Administration, and the Director of the Office of Defense Transportation and released to the press by the White House on the same date*

I have become increasingly concerned over the shortages of vitally needed supplies to liberated countries. I am particularly alarmed at what now appears to be a world-wide shortage of wheat. I am informed that many of the countries of Europe now possess less wheat than is necessary to maintain distribution, even though their bread ration is down to a starvation level.

The problem of supplying the destitute people of the world with this vital food rests mainly on the shoulders of the United States, Canada, Australia and Argentina. I am informed that estimated shipments through the first six months of 1946 will be at least 5 million tons short of the requirements of the deficit areas. In view of this situation, this Government is recommending that each of the supplying countries accept its proportionate share of the responsibility in meeting the urgent requirements of the liberated countries on an equitable basis. Furthermore, this Government recommends that each of the importing countries procure from its own internal sources the maximum quantity of wheat, and make the best possible use of existing stocks.

(Continued on page 178)



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## Wheat and Coal for Liberated Areas

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Article by JAMES A. STILLWELL

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**T**HE STORY of wheat and coal is the story of life in Europe today. It is not a pretty story. These two commodities mean the difference between extreme suffering and simple economic existence.

Since the end of the war in Europe and Japan the people of the United States through the medium of public-opinion polls and by expression through service organizations and relief societies have overwhelmingly indicated their desire to fulfil the maximum relief requirements of the war-torn areas of the world.

The public officials of this Government have on many occasions announced their determination to export maximum quantities of essential supplies to liberated countries, particularly during the emergency period. The President has emphasized this Government's policy to aid the suffering people of the war-torn areas. Upon his return from the Berlin conference he stated:

"If we let Europe go cold and hungry, we may lose some of the foundations of order on which the hope for world-wide peace must rest. We must help to the limits of our strength. And we will."<sup>1</sup>

At a press conference on September 17 the President pointed out that at that time the deliveries of essential supplies from this country to the deficit areas were limited primarily by the financial resources of the paying governments and UNRRA. As a matter of fact, there then existed in the United States quantities of food supplies and coal considerably in excess of our domestic needs which were not being procured by UNRRA or the liberated countries because of their extremely limited cash resources. Subse-

quently, however, several of the paying governments negotiated loans through the Export-Import Bank to take care of some of their longer range rehabilitation needs, thereby releasing cash reserves and short-term credits for the procurement of expendable items such as food and coal. UNRRA and the countries it serves gained a new lease on life when the United States Congress appropriated \$550,000,000 to fulfil our first commitment to this international relief organization and, in addition, passed new legislation committing this Government to a second appropriation of \$1,350,000,000 as continued aid to UNRRA's operation through the year 1946 and the first quarter of 1947.

After some of the financial bottlenecks had thus been removed, the people of this country and particularly the people of the liberated countries expected that the immense productive capacity of the United States would begin to grind out relief supplies in ever increasing quantities.

The actual shipment of essential civilian supplies has increased during recent months, but new and greater difficulties have appeared. Although the present shipments of supplies from this country are not fulfilling the minimum urgent requirements of the deficit areas, the size of the programs is so tremendous that we are finding it increasingly difficult to maintain a steady flow of exports even at the present rate.

The two commodities most essential to the economic existence of our liberated Allies are wheat and coal: The basic ration of the people of Europe is dependent primarily upon bread, and it has long been recognized that coal is the hub of the economic life of Europe.

The minimum import requirements of wheat for the deficit areas during the first 6 months of 1946 are approximately 17,000,000 tons. Even this quantity together with the indigenous supplies will provide pitifully low bread ration in most of the countries of Europe. Failure on the part of the supplying countries to meet this minimum im-

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Mr. Stillwell is Adviser on Supplies in War Areas in the Office of International Trade Policy, Department of State. For other articles on supplies for liberated areas by Mr. Stillwell, see BULLETIN of May 20, 1944, p. 469, and May 20, 1945, p. 917.

<sup>1</sup> BULLETIN of Aug. 12, 1945, p. 212.

port program will undoubtedly result in widespread suffering and some starvation in many spots throughout the continent.

The food authorities of the Combined Food Board estimate that the four supplying countries—United States, Canada, Australia, and Argentina—can provide only 12,000,000 tons of wheat during the first 6 months of 1946. They have estimated that of this amount 6,000,000 tons must come from the United States. If the resultant shortage of 5,000,000 tons is allowed to materialize we must expect chaotic conditions to develop which could easily threaten to destroy some of the foundations of order referred to by President Truman.

Every effort is being made by this Government to meet this quota of 6,000,000 tons of wheat exports during the first 6 months of 1946. This amount, however, is not enough. We must greatly exceed this quota and at the same time secure commitments from the other three major supplying countries to assume their full share of supplying the total minimum requirements of 17,000,000 tons.

It is difficult for people who face possible starvation to realize that a country so rich and so great as the United States might be limited in its ability to furnish the amount of relief they may require. A large number of citizens in this country may be astonished that there is any doubt of our ability to ship any amount of supplies anywhere in the world. They reason that since we have the largest merchant fleet in the world's history and since we succeeded in supplying the largest military expeditionary force ever maintained overseas by any country and, at the same time, supplied military requirements of many of our Allies, surely we should be in a position to meet any demands for civilian supplies to liberated countries. If it were only a question of ships, this would be true.

During the past 6 months, however, the export of civilian supplies for liberated countries has so greatly increased that we are now facing the most difficult inland-transportation, handling, and port-loading problems ever experienced in this country. Even though we have a surplus of cargo vessels we are now finding it extremely difficult to load the vessels fast enough to transport the available quantity of supplies.

This situation may be more readily understood if reviewed on a comparative scale along with the transport job accomplished during the war. In

November 1944, during the peak of the war, approximately 600 ships were loaded at Atlantic ports with both military- and civilian-relief supplies. In November 1945, however, approximately 1,200 ships were loaded with civilian supplies through the same Atlantic ports. Such an increase in our export shipments has naturally increased our inland-transportation and port-handling problems by a much greater ratio than the net increase in tonnage.

During the last 5 months of 1945 we experienced difficulty in moving to port, loading, and exporting approximately 5,800,000 tons of coal, yet we must attempt to increase that rate of export to at least 1,750,000 tons monthly. During that same period we faced many difficulties in exporting 3,500,000 tons of wheat, yet we must now increase our export shipments of wheat to more than 1,000,000 tons a month. The inland transportation, port handling, and loading of these two commodities alone to achieve the rate of 2,700,000 tons monthly present difficulties so complex that direct coordinated control over the whole operation must be maintained on an hourly basis.

For those who are inclined to criticize the policy of exporting these commodities to Europe, it should be pointed out that this country now possesses a surplus of coal which would allow us to ship 2,500,000 tons a month if it were possible to move it. The Department of Agriculture reports that we can easily obtain 6,000,000 tons of wheat during the next 6-month period in excess of our domestic needs. For the producers of these two vital commodities this rate of movement provides a very lucrative business and is greatly in excess of any export business they ever enjoyed in the past.

During the pre-war 4-year period, 1935-38 inclusive, this country exported to Europe less than 50,000 tons of coal annually. Compare this amount with the 5,800,000 tons exported in the last 5 months of 1945 or with the 1,750,000 tons we must strive to export monthly during the first half of 1946. During the same pre-war period the United States exported to Europe, including the Soviet Union and Germany, approximately 790,000 tons of wheat annually. Compare this amount with the 3,500,000 tons exported during the last half of 1945 or with the 1,000,000 tons we must strive to exceed each month during the first half of 1946.

It should also be remembered that a major por-

tion of these exports are being delivered to the paying governments for cash and considerably less quantities are being delivered to UNRRA and paid for with funds appropriated by the United States Congress for that purpose.

In spite of the extreme difficulties which have hampered our efforts in exporting smaller quantities during the last 5 months, we must find a way to meet and exceed the goal of exporting 1,750,000 tons of coal and 1,000,000 tons of wheat monthly during this extremely critical period. If we fail in this task the disastrous effect on the economies of the war-torn areas may be so catastrophic and far-reaching that our struggle to build a firm foundation for peace may be greatly delayed.

The officials of this Government are greatly alarmed over the urgency of this problem, and, even though the immensity of the task is almost beyond comprehension, nothing is being left undone to assure the movement and export of every possible ton of these essential commodities during the next few months.

In order to assure the most perfect coordination among the various Government agencies, commercial channels of trade, and common carriers, John W. Snyder directed the establishment of an Export Control Committee on January 2. This Committee has been directed "to ensure the continuous and effective coordination of the inland shipments, loading, ocean shipment and unloading of the basic export commodities in accordance with established schedules. When necessary the Committee may establish export priorities." Capt. Granville Conway, Deputy Administrator, War Shipping Administration, was appointed by Mr. Snyder as the chairman of the Committee. The Committee membership consists of James A. Stillwell, Department of State; Col. Wilbur Elliott, War Department; Admiral M. W. Callahan, Navy Department; A. S. Johnson, Office of Defense Transportation; William F. Hahman, Solid Fuels Administration; Theodore Cummins, Office of War Mobilization and Reconversion; William MacArthur, Department of Agriculture; William Freeman, Treasury Procurement; and Irwin Heinie, War Shipping Administration—*Secretary*. The Committee is in almost constant session by telephone and convenes formally at least once a week. Two operating subcommittees were established to maintain direct control of the movement and export of wheat and coal. Field operating committees have been estab-

lished and will be established as necessary, to maintain hourly supervision over the inland handling and movement of these two vital commodities.

The Committee's operation has already proved the wisdom of Mr. Snyder's action. It has considered and directed immediately effective action on several major problems of export movement. The Committee will not become entangled in lengthy discussions of policy because the members have been directed by their respective agencies to take immediate and effective action concerning any operational problem hindering the movement of the supplies which are so desperately needed by the suffering people of the war-torn areas.

It was through the Committee's efforts that the loading of wheat vessels in Albany, N. Y., was started early in January, at a time of the year when such loadings are customarily prohibited because of the extremely cold weather conditions. In order to insure the continuance of this loading schedule, ocean-going tugs are now being employed as ice-breakers to keep the channels free for the movement of wheat ships. The possibility of transporting wheat through the Great Lakes from Duluth, Minn., to Buffalo, N. Y., during the winter months has also been explored. The extreme ice conditions through this area, however, have so far prohibited such transport.

The average citizen must be made fully aware of the true complexities of this tremendous task. He should realize, for instance, that the gathering of wheat stocks in the United States involves many thousands of farmers, laborers, truckmen, and local mill operators in addition to the thousands employed by the many railroad systems. Almost 90 percent of the wheat available in the United States is stored on the farms and in local elevators of the central, north-central, and north-western States. Even the first step of moving grain from the farms by truck to the local elevators is a tremendous task and requires the co-operation of thousands of people. Since most individuals think of wheat in terms of bushels, they will comprehend more readily the size of the task to be accomplished if they realize that 37,000,000 bushels of wheat must be moved and loaded on ships each month to accomplish the export of 1,000,000 long tons.

The complexities of the coal problem are just

(Continued on page 162)



# British-Greek Financial Agreement

## STATEMENT BY THE SECRETARY OF STATE

On January 12, when a \$25,000,000 Export-Import Bank loan to Greece was announced, the United States Government addressed to the Greek Government a note expressing sympathetic interest in the financial and economic problems of Greek rehabilitation and the belief that a firm stabilization program instituted by the Greek Government could start the country on the admittedly difficult road to economic recovery. For this heavy task the Greek people can take hope from the knowledge of continuing outside assistance so richly deserved by a nation whose economy was deliberately shattered by the Axis occupation forces, against whom the Greek nation had offered such glorious resistance.

At the request of the Greek Government, conversations on methods of assisting Greek economy have been under way in London for the past several weeks between British and Greek officials. Representatives of the United States Government have been present at these meetings.

It is gratifying that the agreement on financial, economic, and industrial matters concluded in London on January 24 between the British and Greek Governments offers substantial financial and economic assistance for the solution of some of the most pressing problems in Greece. I am also happy to find in the agreement the evidence of a determination on the part of the Greek Government to put into effect a series of remedial measures which should contribute to the long-term welfare of the Greek people by laying a solid basis for gradual improvement in the years ahead.

I have noted with particular interest the intention of the Greek Government to invite an American citizen to become a member of the Currency Committee which will be set up by Greek law to have statutory management of the note issue.

## Administration of Korea

Asked whether the original American plan for Korea had projected a 10-year instead of a 5-year trusteeship, and whether it had omitted provision for the interim establishment of a Provisional Korean Government, Acting Secretary Acheson, at his press and radio conference on January 25, said that the so-called "original American plan" was not a plan in the sense that it proposed a specific series of proposals. He said it was a paper which stated the general problem and directed attention to possible lines of solution. In that paper, he said, the thing that was stressed was the necessity for a unified Korean administration which was to be brought about by the two commands, the American command and Soviet command. It was not discussed in that paper whether this administration should be a government or whether it should be something else, but the important thing which was brought forward for discussion was that it should be an administration operated by Koreans and created by the two commands. Mr. Acheson said that as a result of the discussion of that paper, the proposal for the Provisional Korean Government

was put forward by the Soviet Government and readily accepted by the American Government. A correspondent asked whether it was correct that the United States first brought up the Korean subject at the Moscow conference. Mr. Acheson said that was correct and that in the paper there was also discussion of the necessity or desirability or utility of a trusteeship. He said it had been suggested that it might not be necessary to have one but, if one was necessary, a plan should be made for a period of five years. If at the end of that time it seemed a further extension was unnecessary, that would be the end of that, and if at the end of that time extension was necessary, another period of five years might be considered. In other words, Mr. Acheson said this again was not put forward as a concrete plan but as a suggestion as to the basis of discussion. Asked whether the discussions between the Russians and Americans were still going on at Seoul, Mr. Acheson said he thought they were.

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The above statement in the financial agreement was released to the press on Jan. 27.

## Freedom of the Press—World-Wide

A discussion and explanation of the general question of international freedom of the press and communications and what can be done to place that freedom on a firmer basis was broadcast on January 26, 1946 by Assistant Secretary of State Benton and Federal Communications Commissioner Paul Porter. The text of their conversation on the air is presented below. The broadcast was the seventh in a group of State Department programs in the NBC University of the Air series entitled "Our Foreign Policy". Sterling Fisher, director of the NBC University of the Air, was chairman of their discussion. [Released to the press January 26]

**FISHER:** Last month, Mr. Benton, we discussed with you the State Department's plans for its new International Information Service. This time we are tackling a broader subject—the general question of international freedom of the press and communications, and what can be done to place that freedom on a firmer basis. This issue has come in for a great deal of discussion in the last year or two. Why, Mr. Benton, is this a matter of such immediate importance?

**BENTON:** Mr. Fisher, freedom of the press is something that will always fire the imagination of Americans, because it's so deeply imbedded in our traditions. People have fought for freedom of expression all through the ages. It is written into our Bill of Rights—in fact, it's the very first point there. I have no doubt people will still be making broadcasts on freedom of the press in 1996—or, for that matter, in 2046. This is an essential part of man's eternal struggle against ignorance and oppression.

**FISHER:** Granted that "freedom of the press" is a great battle cry. But why is it such an urgent matter right now?

**BENTON:** I think that the line from Prime Minister Attlee that is quoted as a keynote in the Charter of UNESCO—the United Nations Educational, Scientific and Cultural Organization—is the answer. You remember he said that "it is in the minds of men that the defenses of peace must be constructed". It has always been *important* to seek a free flow of information among the peoples of the world. But since August 6 of last year—Hiroshima, if you remember—it has become a matter of *paramount urgency*. Freedom of the press

is freedom of men's minds to seek the truth. Without that, we can't build the defenses and can't hope for a secure peace.

**FISHER:** I think you've made your point.

**BENTON:** I'd like to quote something from Kent Cooper, general manager of the Associated Press. I'm having my troubles with the AP but I like this quotation: "Every war of aggression in modern times has been preceded by distrust, then fear, and finally hatred, all created by a systematic poisoning of the news by the aggressor state." That happened in Germany and Italy and Japan, and I agree it was one of the main causes of the war. At least, it made it possible for the aggressor nations to sell their own people the idea of war.

**FISHER:** Mr. Porter, what do you say on this?

**PORTER:** Freedom of the press is one thing on which everyone agrees—in principle. Everyone is for it. The question is how to bring it about. We've certainly failed to bring it about internationally in the last 25 years.

**BENTON:** In fact, Mr. Porter, we've gone backward, taking the world as a whole. Until the war, the trend was away from greater freedom, not toward it. There have been large areas of the world where press freedom has been blacked out altogether.

**FISHER:** You're speaking, Mr. Benton, of the Axis countries?

**BENTON:** Primarily. In Italy, for example, a whole generation of human beings has grown up without ever having known what a free press means. Think of it—men 25 years old who can't remember anything but Fascist censorship and oppression until our troops arrived!

**FISHER:** Would you define press freedom then, Mr. Porter, as freedom from censorship?

**PORTER:** That's a fundamental part of it—freedom to criticize, freedom to print the facts without fear of censorship, except for security reasons during wartime.

**BENTON:** But when I was speaking of a trend away from freedom in this field, I meant more than freedom from censorship. The economic developments of the last two or three decades have added new restrictions on the free exchange of information—such as quotas on books and mo-

tion pictures, for example. When I was in London last November, the British Parliament was discussing the fact that American movies were taking 80 million dollars a year out of the British Isles. That's approximately the amount of the annual interest on the proposed loan to Britain. The British are very short of dollars, and so Parliament was discussing quotas on American films.

FISHER: And what other kinds of restrictions are there?

BENTON: There have been many restrictions on the use of cable and wireless facilities, with which Mr. Porter is even more familiar than I am.

PORTER: We dealt with some of those restrictions at the Bermuda conference, of course.

FISHER: When we talk about freedom of the press, we have a tendency to take a "holier than thou" attitude. We assume that we, and a few other nations, perhaps, have a complete press freedom. Mr. Porter, is that true?

PORTER: Our press isn't perfect, if that's what you mean. I'd be the first to admit that. If you look for it, you can find a certain amount of distortion and coloring of the news—more in some papers than in others. But only a few papers are very bad offenders—most of our press is reasonably objective, in its presentation of the news.

BENTON: But distortion isn't the main problem, Paul. Part of the press distorts the news, it's true; but that doesn't matter too much because other parts of the press can step up and say, "Look here, that fellow is cock-eyed." Distortions can be answered. In fact our American concept of freedom of the press allows for the rankest distortion, on the theory that if there's a free voice for everyone, the truth will eventually win out.

FISHER: Then what is the main problem, Mr. Benton?

BENTON: Our main limitation here in America is an economic one. It's hard to break into the newspaper, radio, and movie industries because of the large investment that is required, and the many restrictions against the newcomer which make it tough for him to move in and compete. This limits the number of voices that can speak effectively. The day of the soapbox is over.

PORTER: In radio, of course, the opening up of about 5,000 new FM channels is going to help.

That means there will be room for a lot of "little fellows" to break in.

BENTON: Yes, that is a good thing, but in the newspaper and movie businesses the tendency has been toward bigness—toward fewer and fewer voices.

FISHER: One more point before we leave this general question. Mr. Benton, doesn't the Soviet Union have an entirely different idea of the role of the press from ours, and isn't this an obstacle to world-wide agreement on freedom of the press?

BENTON: I wouldn't put it quite like that, Mr. Fisher. It's true that the Soviet Union, China, and many other countries have a high degree of state control or censorship of the press. China is committed to changing that. China has already lightened the censorship of outgoing news and has said she would do the same internally for her own press.

FISHER: But what about the Soviet Union?

BENTON: The Russians not only frankly admit but boast that their concept of freedom of the press is different from ours. They even deny that ours is freedom. They point out that the Soviet Constitution guarantees any group of workers the right to issue their own papers and magazines and the materials to do it with. To us, that means state subsidies and state control, which are fundamentally opposed to our concept of an independent press, free to criticize the Government. The Russians, for their part, can't understand why we allow American newspapers to print attacks on our wartime Allies. They take such press attacks very seriously, just as *we* sometimes are too prone to assume that Marshal Stalin personally writes or approves of every word of every article that appears in *Pravda* or *Izvestia*. And the Russians think that our press is dominated by the wealthy class and the advertisers.

FISHER: Do you see any hope of bringing the two viewpoints closer together?

BENTON: Yes, I do see hope. It will undoubtedly be a gradual process. It will be easier to get agreement on some things than others. I hope that the time will come when we shall get a free flow of news between the Union of Soviet Socialist Republics and the United States. Last year a committee was sent around the world by the American Society of Newspaper Editors. The report of that committee is hopeful about there being a basis for progress toward agreement on freedom of news transmission.



FISHER: Did the committee of editors reach any conclusion on the general world outlook for press freedom?

BENTON: Yes, they were reasonably hopeful. They concluded that in the world as a whole "the spark of press freedom is alight". Now that the war is over, we can hope that all free countries will progress in the direction of greater liberties for their people.

FISHER: Now that we've made clear what we mean by a press . . .

BENTON: I think we ought to broaden our phrase. Let's call it freedom of communication. Radio, movies, books—they're all included.

FISHER: All right. Now, the key question, as I see it, Mr. Benton, is what is being done to get freer communications? William Philip Simms alleged just the other day that the various foreign ministers have been hiding behind a smoke screen, saying, "Oh! Yes! We favor freedom of the press", but doing nothing to bring it about through the United Nations Organization. What is the State Department doing?

BENTON: Of course, this isn't a job just for the State Department. It's one for everybody, at least everybody and every Government agency concerned with communications. Not only the State Department but Congress, the FCC, and our delegations to the various United Nations conferences are doing something about it. In the State Department we've attacked the problem on three different fronts: the economic front, the political front, and what you might call the "operating front".

FISHER: Let's take the economic front first.

BENTON: The outstanding achievement on this front has been the Bermuda Telecommunications Conference. Paul Porter, who was down there as vice chairman of the American Delegation, can tell you about that. Mr. Porter carried the load and was the key figure of the conference—at least, in our part of it.

FISHER: Just why, Mr. Porter, was the Bermuda conference so significant?

PORTER: It was significant because the problems of high cost and bottlenecks in transmitting news and telegraph messages between the United States and the British Empire—a problem which has vexed newsmen and other telegraph users for 25 years—was solved in 10 days over the conference table in Bermuda.

FISHER: Can you tell us a little about the problem itself before you go into the solution?

PORTER: Well, before the war all telegraph messages from the United States to points in the British Empire were funneled through London or some other British point. There were no direct radio circuits from this country to other parts of the British Empire because the British policy required the use of their own extensive cable facilities, which hooked up the whole Empire. The result was a very high cost, which kept commercial correspondence as well as news transmission between British territories and the United States at too low a level.

FISHER: How about an example or two?

PORTER: The ordinary telegraph rate from New York to London was 20 cents a word, but the rate from New York to Ceylon was 55 cents, the rate to Singapore was 89 cents, and the rate to Sarawak, in Borneo, was \$1.05. The press rate was about a third as much, but it was still too high to encourage the transmission of news to and from the British territories.

BENTON: But the British had what they called a "penny press rate".

PORTER: Yes, but that applied only between British points. With the penny press rate, a press message could be sent between any two points in the British Empire for a penny a word, British money, which is not quite two American cents. American newspapers could take advantage of this low rate only indirectly and by the sacrifice of speedy and direct service. An American correspondent in Bombay sending a news story to New York could send it over British facilities to Montreal at two cents a word. But at Montreal, his story would have to be reforwarded to New York by an agency maintained by the newspaper. By using indirect British facilities in this way, the news story could be transmitted to New York for a little more than 3 cents a word. But if the newspaper correspondent wanted to send that same news story from Bombay directly to New York over the direct radio circuit, it would cost about 13 cents a word.

BENTON: That direct radio circuit to India, Paul, was one of the many circuits established during the war with British points where our soldiers were stationed.

PORTER: Yes, but the Indian circuit as well as the circuits to several other British Empire points were agreed to by the British only for the war

period plus six months. They made an exception to their regular policy only because of wartime conditions.

FISHER: Well, Mr. Porter, how did the Bermuda conference change all this?

PORTER: In the first place—and this is fundamental—the British readjusted their pre-war policy by agreeing to continue all the essential point-to-point radio circuits developed during the war. For example, direct radio circuits between the United States and Australia and New Zealand and India are to be kept. In addition, the British agreed to direct circuits from this country to Jamaica and Palestine, and to the Union of South Africa, Hong Kong, Malaya, and Ceylon, if traffic studies or conditions justify them.

BENTON: In other words, the British abandoned their pre-war monopoly position and recognized that in this shrinking world we need faster and cheaper communications directly with the various British territories, so that we can get quicker and better news coverage of them and give them better news coverage of ourselves.

PORTER: Exactly. The British have adjusted their policy to the principles of an expanding world commerce. The rate adjustments they made were also very important. Beginning April 1, or earlier, the ceiling price for telegraph messages from any place in the United States to any place in the British Empire will be 30 cents a word, instead of up to \$1.05, and the press rates will be 6½ cents or less a word, instead of up to 40 cents a word. An American newspaper will now be able to send a 100-word news story from any place in the United States to any place in the British Empire for \$6.50, where before the same-length story would have cost \$16 from New York to Hong Kong, \$11.50 to New Delhi, \$18.50 to South Africa, and \$9 to Melbourne. It will be easier to exchange news not only with British territories but with some other areas as well. The British agreed to renounce certain exclusive rights they had obtained in Greece and Arabia so that direct circuits could be established between the United States and those countries. That means that American companies can come in there.

FISHER: Mr. Porter, what concessions did we make? We must have given them something in return.

PORTER: Well, Mr. Fisher, the reduction of rates is a mutual proposition, and lower rates to

the United States will benefit British commerce, and their press as well. The increased volume of traffic which is generally stimulated by reduced rates can be expected to increase their gross revenues from their communications system. And don't forget that it was to their advantage, as well as ours, to reach an understanding with us on disputed matters, rather than to permit disputes to work themselves out through destructive competition.

BENTON: I think you ought to say a word about the multiple-address system, because that will mean still greater economy in press transmission.

PORTER: At Bermuda, the British agreed to encourage the use of multiple-address press transmissions from the United States. To give you some idea of the saving that is possible, one American wireless company has proposed to the FCC a rate amounting to only three eighths of a cent a word for multiple transmissions! It would simply beam the news toward a given country, and all the subscribers there would pick it up and use it, or some central agency would pick it up and relay it to them.

FISHER: We've made great progress toward cheaper press rates, then.

PORTER: Yes, it's up to the American news agencies now to take advantage of these rates in selling their services.

FISHER: Well, Mr. Porter, all this will do a lot to facilitate communications with the British areas.

PORTER: Its significance is a lot wider than that, Mr. Fisher. This is only one step toward a rational world-wide communications system. The principles of freedom of information which the British accepted at Bermuda were adopted by the American republics at the Inter-American Radio Conference at Rio de Janeiro earlier last fall. These agreements have paved the way for world-wide acceptance of the same principles at an international communications conference we expect to hold sometime this year. And we must not overlook the fact that the field of communications, like so many activities today, is dynamic and global in nature. The complex problems which exist can be successfully solved only by international understanding such as we have been discussing.

FISHER: Doesn't that suggest that the international conference you mention, or some permanent international communications body, should be made a part of the United Nations Organization?

PORTER: Perhaps. It would fit very well into the Economic and Social Council's list of affiliates.

FISHER: Well, interesting as all this is, I think we've spent enough time on the economic aspects of free communication.

PORTER: I'd like to add just one thing: The Bermuda conference succeeded beyond all expectations. But the improvement of communications is not an end in itself. It is a means to an end—the real end being to bring the democratic nations of the earth closer together by making possible a freer exchange of ideas, more complete understanding, and the development of better commercial relations.

FISHER: Right. Now, Mr. Benton, it's your turn. What about the political approach to freedom of the press, or rather, freedom of communications? What is the State Department's position on this?

BENTON: The State Department plans to do everything within its power along political or diplomatic lines to help break down the artificial barriers to the expansion of private American news agencies, magazines, motion pictures, and other media of communications throughout the world. And of course we welcome information from abroad through the same channels. It's a reciprocal process—a two-way arrangement.

FISHER: What about the crusade waged by Hugh Baillie of the United Press, Kent Cooper of the Associated Press, the American Society of Newspaper Editors, and others for world-wide recognition of certain basic press freedoms?

BENTON: They have done a great job in helping bring to the attention of the public the need for a free flow of news among all nations, without censorship, and without discrimination in transmission rates or in making news available at the source. The State Department endorses and supports these objectives.

FISHER: But what has been done, Mr. Benton, toward translating these aims into reality?

BENTON: To try to answer that I'll have to go back a bit. Freedom of the press—and freedom of exchange of information generally—is an integral part of our foreign policy. Back in 1944, if you will recall, Congress passed a joint resolution endorsing "the world-wide right of interchange of news by news-gathering and distributing agencies . . . without discrimination as to sources, distribution rates, or charges . . .

this right should be protected by international compact."

PORTER: Both political parties endorsed the same principles in their 1944 platforms.

BENTON: Yes, Paul, and the following spring the inter-American conference at Chapultepec declared for the ending of all peacetime censorship and for the free transmission of all news and information in this hemisphere. Our Delegation, of which I was a member, gave that resolution its strongest support. And President Truman, in his Navy Day speech last October, said that one of the main points in our foreign policy was to ". . . promote freedom of expression and freedom of religion throughout the . . . world".

FISHER: What progress has been made, Mr. Benton, toward *United Nations* action to guarantee freedom of communications?

BENTON: The United Nations Charter has as one of its objectives the promotion of "human rights and fundamental freedoms". Under the Economic and Social Council, which has just been set up by the United Nations General Assembly, the Charter provides for a Commission on Human Rights. It is my understanding that this Commission will outline basic goals. Freedom of speech is one of the fundamental freedoms, and this includes freedom of the press and of communications. The then Secretary of State said at San Francisco that "When a Commission is established, the United States Government will urge that it promptly study the means of promoting freedom of the press, freedom of communication, and a fuller flow of knowledge and of information between all peoples. In the meantime, we shall press forward our active efforts to further these objectives in every practicable way".

FISHER: And that still stands?

BENTON: It certainly does. We have "pressed forward our active efforts" at every opportunity. At the Potsdam Conference last July, our Delegation, headed by President Truman, was instrumental in inserting several important clauses into the communiqué. Freedom of speech, press, and religion were guaranteed to the Germans, subject to security regulations, and representatives of the Allied press were guaranteed full freedom to report to the world on developments in Poland, Rumania, Bulgaria, Hungary, and Finland.

FISHER: There were a good many complaints,



Mr. Benton, that these guaranties were more or less honored in the breach, in the Balkans.

BENTON: Yes, I know. Secretary Byrnes took up some of these complaints with Foreign Commissar Molotov in London last fall. They have been under discussion since then. The situation has improved.

FISHER: Now, an interesting question has been raised at the current United Nations Assembly meeting in London. According to the papers, one of the delegates from the Philippines has proposed that the Assembly call an international conference on freedom of the press.

BENTON: I believe that proposal will be discussed when the Assembly has finished its organizing session in London and reconvenes here in the United States a few months later. Our delegates to London will do everything possible to speed up the organization of the Economic and Social Council and its Human Rights Commission to help secure agreement on world-wide objectives.

FISHER: But what about UNESCO—the United Nations Educational, Scientific and Cultural Organization? Where does that fit into the picture?

BENTON: UNESCO can perhaps make the greatest contribution of all to the freedom of communication. One of UNESCO's purposes, stated in its Charter, is to "recommend such international agreements as may be necessary to promote the free flow of ideas by word and image". UNESCO can become a dynamic force for freedom. That is the world's hope for UNESCO. It will press for action by all countries everywhere. But it will of course be some time before UNESCO is functioning on a full scale.

PORTER: If I might sound a slightly skeptical note—

FISHER: Go right ahead, Mr. Porter.

PORTER: I'd like to state my opinion, for what it's worth, that all the conferences and resolutions and bills of rights that you can shake a stick at won't be worth two cents as far as getting any country that doesn't have a free press to establish one. Only the people of the country can do that. You can search the history books and never find an example of freedom being handed to a people. They always have to demand it or fight for it themselves.

FISHER: Except the Japanese under MacArthur?

PORTER: Maybe. It remains to be seen whether they'll keep it.

FISHER: Mr. Benton, what about the suggestion that guaranties of freedom of the press be written into the peace treaties with former enemy countries?

BENTON: We should do everything in our power to achieve a free flow of news, in line with our policy as shown by our actions at Potsdam and in Japan. As far as internal provisions for press freedom are concerned, that will be up to the nations themselves. Freedom is something that can't be imposed from the outside, as Paul Porter just said. But I think that free access to news sources, and freedom to transmit news from one country to another without discrimination, might very well be included in appropriate agreements or treaties covering our relations with former enemy countries.

FISHER: Then there is the proposal for a general international agreement covering the free exchange of news.

BENTON: We shall certainly support efforts to get international agreement in this field. The United Nations and UNESCO—its educational organization—both have freedom of expression as a basic objective, as I said. We should do everything possible to spell out this objective, through these United Nations channels, in a general agreement on freedom of information.

FISHER: Well, I think that covers the political side, Mr. Benton. But you mentioned a third point of attack on this problem.

BENTON: Yes, on what I call the "operating front". The State Department plans to do its best, if Congress approves, to fill certain gaps left by private American activities abroad. Some parts of the world still have practically no news from American sources, except for what our Government can supply. But the State Department's function will be purely supplementary to the activities of private agencies.

FISHER: Which are the gaps?

BENTON: Good examples are the Balkan countries and southeast Asia. There the short-wave radio is almost the only way of getting American news through.

FISHER: And what about the Soviet Union?

BENTON: The Soviet people get some news about America indirectly through the Soviet Government News Agency, Tass, which is furnished

American news by the AP and UP, and they get some first-hand background about America through a magazine which the State Department publishes in Russian and which a Soviet Government agency distributes in the Soviet Union. We are now considering Russian-language news broadcasts. Ambassador Harriman has recommended such broadcasts, and they may well contribute to American-Soviet understanding. The truth is the Russian people get very little news about America—in fact, far too little. Further, all reports indicate they are eager for such news.

**FISHER:** Do you think, Mr. Benton, that short-wave broadcasting by the Government will be continued on its present level?

**BENTON:** That's for Congress to decide, Sterling. We've cut our operations drastically from the wartime level, as I told you on a previous broadcast. I believe the short-wave job abroad must be done. There is an unfilled hunger for news from American sources, and short-wave broadcasting is often the only vehicle we have which gets through. I am not opening up for discussion the question of the AP and UP wire service for our international broadcasting, which I regard as vital, because the subject is too big to cover briefly on this program.

**FISHER:** To summarize the discussion then, the United States is taking a strong stand on behalf of freedom of communications throughout the world. It has acted to make physical communications more direct and less expensive, starting with the Bermuda conference. This means reducing one of the most important barriers to the movement of news. Is that right, Mr. Porter?

**PORTER:** Yes, we shouldn't underestimate the importance of the economic side. You have to make communication possible and practical before you can have a free exchange of news.

**FISHER:** The Government is also prepared to press vigorously forward to try to obtain general acceptance of such principles as freedom from censorship and from discrimination, in making news and communications facilities available. The Government's role in news distribution is regarded as purely that of supplementing the private news agencies.

**BENTON:** I think it's safe to say that in the months to come our Government will play a leading role in the fight against restrictions of all sorts on international communications. Only if

there is a free flow of ideas from one nation to another can we hope to secure that mutual understanding among the peoples of the world upon which we can erect the defenses of peace in the minds of men.

**FISHER:** Thank you, Mr. Benton and Mr. Porter, for a clear analysis of the question of international freedom of communications.

**ANNOUNCER:** That was Sterling Fisher, Director of the NBC University of the Air. He has been discussing "Freedom of the Press—World-Wide" with Mr. William Benton, Assistant Secretary of State for Public Affairs, and Mr. Paul Porter, chairman of the Federal Communications Commission and vice chairman of the United States Delegation to the Bermuda Telecommunications Conference. The discussion was adapted for radio by Selden Menefee.

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**STILLWELL—Continued from page 154.**

as great but involve people in different sections of the United States. The two problems of movement added together produce activity felt directly or indirectly in almost every village, hamlet, and countryside of the whole United States. It is the total problem which the Government officials are now attempting to solve.

It is not enough, however, that a group of Government officials shall band themselves together in mutual effort to fulfil this Government's responsibilities to our liberated Allies. The task is so great that it requires the combined efforts of all the people of the United States. Even those citizens who are not directly connected with any phase of the production, movement, or export of these essential civilian supplies should take an active and direct interest in their respective communities concerning the progress of our total supply effort. Officials of the Department of State and other agencies of the Government directly concerned with this problem will endeavor to keep the public well informed through the press and radio of all the pertinent facts available.

The people of the United States are faced with a new challenge to their indomitable will to accomplish this task, no matter how great, so long as it will help to relieve the suffering of humanity. We should translate into action the President's statement, "We must help to the limits of our strength. And we will."

# Future of the Foreign Service

By SELDEN CHAPIN

**E**FFECTIVE ACTION by the United States on the road to international cooperation requires that it be represented by the best men it can mobilize and train for the job. The United States Foreign Service will be the cutting edge, as well as the first line, of our representation abroad. The Foreign Service must inform the President and the Secretary of State accurately, impartially, and fully concerning political and economic conditions abroad, evaluate the forces shaping events, warn of any developments which menace international peace and which directly imperil American interests, and propose means by which our interests may be protected and our objectives advanced. In this respect it must be reporter, interpreter, and counselor.

The Service must make effective the policy of the United States by negotiation and by the exercise of American influence, must represent the character and purposes of the American people to the other people of the world, must protect American citizens and interests and promote American trade. In the execution of these tasks it is the chief agent of the American Government abroad.

The Service must work with and assist the specialized missions which play an important part in international affairs and must provide continuity and an over-all supervision of the execution of foreign policy.

The Service must continue to perform or to direct the traditional functions in respect of citizenship and nationality, immigration, shipping, and documentation of merchandise which make up a large part of the work in the field. In this respect it is primarily a "service" organization.

The duties I have outlined make up the broad, if traditional, frame of reference of a Foreign Service officer's career. His service in the new diplomacy will however be very different from that in the past, not only because, as I have indicated, his work will be of more vital concern to the Nation in winning the peace, but also because he will have to perform new work of a specialized

character under different conditions. During the war, officials of executive departments frequently entered into direct contact with their opposite numbers abroad. The myriad Allied combined boards for supply and shipping, lend-lease, economic warfare, finance, and intelligence drew diplomacy out of the chancery into new adventures.

The career Foreign Service under these conditions must be able to contribute something more to the conduct of foreign relations than efficient secretariats and the rituals of old-school-tie diplomacy. It must know the substance of the specialized work which the specialists are called upon to perform and must be equipped either to participate directly in such activities or to assist, guide, and coordinate them. If it cannot, it may well continue as a distinguished relic of the nineteenth century, or as the frill on the lamb chop, but the peculiar contribution it has to make in know-how, in discipline and continuity, in the arts of negotiation will go for naught.

There are perhaps two broad and distinct concepts of the present and future roles of foreign offices and traditional foreign services. One envisages a foreign office as a sort of general staff, estimating situations in foreign policy, coordinating all information—strategic, economic, and political—relating to specific problems in international relations: e. g. a proposal for five-power consultation on Near Eastern dependent areas—and delegating field operations to a group of executive agencies, of which the career Foreign Service is merely one, although it has supervisory and coordinating responsibilities. To some extent this has been the pattern of our Department and Service during the war years. I am frank in saying, however, that the arrangement has not been entirely satisfactory, in either the public interest or

Excerpts from an address made before the Hartford Foreign Policy Association, Hartford, Conn., Jan. 21, and released to the press on the same date. Mr. Chapin is Director of the Office of the Foreign Service, Department of State. Requests for complete texts of the address should be sent to the Division of Research and Publication, Department of State.



that of the several agencies and of the Department. The experience of the war has illustrated the confusion, misunderstanding, and irritation which can be caused abroad if a number of independent officers representing various agencies are acting semi-independently of one another. Furthermore, the hydra-headed aspect of our representation tends to confuse the foreigner with whom we have to deal.

The other concept of the operation of a foreign office contemplates that it would be a large and complex organization, including in its own divisions technicians and specialists qualified for, and engaged in, tasks far outside the accustomed and traditional orbits of formal diplomacy. Certainly all foreign offices will expand to some degree along this line after the war. Yet the pitfalls are obvious. As one observer put it recently, "a State Department cannot take on operating functions and the remnants of agencies in dissolution, as the present one is doing, without running the risks that come with trying to turn a highly specialized business into a general store."

It would not be correct to say that any clear-cut decision has been made between these alternatives by the American Department of State. It seems, however, to be tending more toward the latter than it has in the past, and we are steering carefully to avoid the pitfalls. Recently we have taken over the functions and part of the personnel of OWI, the Office of Inter-American Affairs, the Foreign Economic Administration, and a few people from OSS—the Office of Strategic Services—and the Surplus Property Administration.

These new tasks mean new problems for the Foreign Service in the field of economics, for example. The Foreign Service officer will be doing things quite different from the trade promotion of the past. Instead of the weapons in the arsenal of economic warfare, he will be using peacetime tools, in aid of the American economy, as safeguards against future wars, and factors aiding a more equitable distribution of the world's goods. The experience gained in evaluating the economic position of an entire country by a hundred new techniques will help to open new horizons to the Foreign Service officer.

It was Canning whose audacious theory that public opinion should actually be invoked in the councils of diplomacy caused Metternich to describe him as a "malevolent meteor hurled by

divine providence on Europe". The power of public opinion has grown mightily from Canning's day to that of the Office of War Information. Today's relations between states are increasingly relations between peoples. The Foreign Service officer will have to mesh this force with diplomacy, and he will need to participate in the activities of the cultural and informational agencies.

Our foreign policy is bound to involve a relatively large United States force in being whether solely for national defense or as contingent commitments under the United Nations Security Council. In the future the Foreign Service officer must know more about our military and naval establishment and its policies.

I have said enough, I believe, to show why the Foreign Service must be organized and staffed somewhat differently than in the past. I wish I were able to report to you that our first-line service is in shape to do the job which lies ahead. I should like to say that we are ready to step on the stage of international affairs with our best foot foremost; that we are prepared, right now, to undertake the tasks of the new diplomacy, or even to carry on the old. The truth is that we are not but that we are energetically trying to be. We have been working intensively on the most comprehensive Foreign Service legislation since the Rogers act of 1924, a new Magna Charta which effectively turns the service inside out and which we hope to present to Congress in the near future.

Many, if not most, of our alleged shortcomings are due solely to lack of manpower. Our pre-war service of 833 would be too small for the present job; we estimate that between 1600 and 2000 will be required. Actually, we have only 750 men in the career Foreign Service today. During the war the needs of the armed forces, of course, took precedence, and we suspended recruiting of young men after 1941. We did mobilize a kind of war reserve, the Foreign Service Auxiliary, who were for the most part specialists in various fields. Many of these men will be lost to us as the war emergency draws to a close and jobs in private employment at higher salaries beckon.

We plan to combat our manpower shortage in various ways; in November of last year we held examinations exclusively for members and veterans of the armed forces and will probably hold others this spring which should yield us some 600 picked men altogether from among thousands

of candidates. We have also just sent to the Congress a bill which would authorize the admission into the career service during a two-year period of up to 250 outstandingly qualified officers from the Department of State, the armed forces, and the other federal agencies, at any grade commensurate with their age, experience, and qualifications. We would administer this bill, if enacted into law, with due regard to the career principle. This recruitment should invigorate the Service by the introduction of fresh blood and should bring into it a number of special skills. Without these it could not hope to cope with its new responsibilities nor to avoid stagnation.

We also have a plan which is not yet threshed out in detail to establish what we conceive to be a "staff" corps of specialists who will be officers of the Foreign Service, enjoying the same privileges as the diplomatic and consular officers, who may be known as the "executive", or "line", branch. This new branch would include some members of the present Auxiliary service, some of the intelligence, informational, and cultural experts now serving in interim classifications, and the members of our present administrative and technical corps as established by the act of May 3, 1945. There would be every opportunity for interchange and transfer between the two branches and with the Department of State. We shall, however, see that what is now called the career Foreign Service includes a heavy proportion of specialized talents. There are already within that service brains and aptitudes for most of the special tasks of the present era, provided only that the Department gives adequate training and opportunity to these skills. We must retain in our Service most economic functions, in short to become an economic service. One does not have to be a Marxist to recognize that in these days political and economic policies are inextricably entwined.

There will also be provision for men to come into the Service as reserve officers from elsewhere in the Government or private business on temporary assignment: for example, a study of metallurgy behind the Urals or of malarial control in the Nile Delta or the geology of the Arabian peninsula.

In addition to these attacks on the manpower problem we are planning legislation to cover practically every phase of Foreign Service reform. At present the Service is undermanned, clogged with deadwood, insufficiently trained, underpaid, inad-

equately housed, and clumsily administered. We plan campaigns in all these sectors.

If the Service is to reach a maximum level of efficiency, a promotion system should be established which provides for advancement of officers with emphasis on merit rather than seniority, and for the separation from its ranks of officers who are not advanced within a certain period.

We have made a careful study of the "selection out" promotion system of the United States Navy and we propose to adapt it for our needs. There will be a system of minimum and maximum service in the various grades of the service, and officers who are not promoted after serving a maximum time in grade will be eliminated, with an annuity or lump-sum payment depending on the length of service. It is also planned to lower the retirement age for officers in Class I and below from 65 to 60 years.

Installation of the new promotion system will involve a complete review of the personnel-administration methods now in force, and we will draw on the experience of private industry and other Government departments.

It is clear that we must mobilize for the Foreign Service the very best brains and character in each generation and train them at a markedly higher level of requirement and in a much more serious and impressive manner than was ever reached under the comparatively easy circumstances of the past. Our opinion is that, beyond initial orientation and indoctrination, a kind of "in service" training must be continued throughout a Foreign Service officer's career both for the sake of efficiency and to sustain morale. He should at different stages of his career attend courses analogous to those of the Army and Navy Staff Colleges and War Colleges. We believe that this instruction should begin at the university-graduate level and not in an undergraduate academy. It is for this reason that we do not subscribe to the idea of a West Point or Annapolis for the Foreign Service. The basic undergraduate requirements of the Foreign Service are not technical. The primary requirement is a knowledge of the system of ideas concerning the world and man which belong to our time and the roots from which these ideas have developed. The basis for a Foreign Service education can be most advantageously obtained at the best colleges and universities long established and functioning in the various regions of the

United States. An undergraduate Foreign Service Academy would tend to stamp future Foreign Service officers in one mold and might easily breed a caste spirit, the very thing that the Department has prevented from arising in the Foreign Service through a selection of men from all segments of American life, as well as from diversified educational backgrounds and different sections of the country. In this connection it is interesting to note that in 1941 when our last public examinations were given there were 440 candidates from 164 colleges and universities designated to take the examination. The 37 successful candidates represented 21 educational institutions and 14 States. In 1940, 483 candidates from 168 colleges and universities were designated for the examination. The 45 successful candidates represented 26 educational institutions and 19 States.

All training programs in the Foreign Service would be directed by a foreign-staff college or center of training studies which we plan to call the Foreign Service Institute. This Institute would direct in-service training throughout an officer's career and would handle orientation courses for beginners as well. It would exchange students and faculty with the Army and Navy in-service institutions.

In its higher echelons the school would be a staff college or institution comparable to a war college. At these levels it would probably administer relatively little instruction on its own premises but would arrange for Foreign Service officers to work and consult at high levels, not only in the Department of State but in any agency, in any business, research organization, or university where possibilities exist for widening the background of the Foreign Service officer. The staff college, although closely affiliated with the Department and using classified material in its seminars, should nevertheless enjoy a certain autonomy. It should thus maintain sufficient academic prestige to attract the best staff. The Institute would be continually engaged in doing basic research on policy, and we conceive that its projects would be taken into account in the actual formation of policy. At any rate this basic research will at least counterbalance the necessarily more hurried day-to-day thinking in the Department of State by a broader view and the synthesis of piecemeal data.

If this program is followed some of the shortcomings of the Service will be corrected. Officers

will have training equipping them to take the "strategic" as well as the merely "tactical" view in their reports. Too often in the past, reporting from the field has neglected the basic long-range study in favor of the "spot" report.

Another important reform of the Service is its "Americanization", if I may use the term. On this point all who have inspected, studied, or been members of the Foreign Service are unanimous. In order to preserve contact with America, more officers must be brought home more often. Long absences of officers from this country and lack of understanding in regard to departmental policies are responsible for a sense of remoteness, frustration, and general inadequacy as a Service truly representative of the United States. It is proposed to establish by statute a fixed ratio between home and field service, as well as to provide for adequate home leave at appropriate intervals. In this respect during the war the Foreign Service was notoriously disadvantaged in comparison with officials in other agencies. A tour of duty in the United States will not be confined to service in the Department. Officers will be sent for special service anywhere in the country, for example to the branch offices of the Department of Commerce, other Federal or State jobs, or training or observation tours with private industry.

The administration of the Service particularly as regards personnel has for a long time been rendered difficult by the excessive number of grades, or classes, into which it is hierarchically divided. The present system of nine classes established by the Rogers act of 1924, with the lowest class subdivided administratively into three, is an outgrowth of the old Consular Service, which was amalgamated by this act with the separate Diplomatic Service to form the present Foreign Service. The current classification structure, therefore, was established as a solution to a problem existing in 1924, and not because of any intrinsic advantage in having that number of grades in the Foreign Service. Our new plans recognize that there are not as many gradations in relative responsibility of jobs in the Service as the existing 11 grades would indicate. In the future there will be only 6 grades with an additional class of minister actually within the Foreign Service. An officer may have the rank of minister without necessarily being accredited to a mission abroad. The top goal of a diplomatic



career will thus actually be within the career itself rather than outside it; at present an officer resigns from the Service on becoming a minister. The new distribution of ranks will bring the Service into line with the Army and Navy. It will give a longer opportunity to judge the performance in each class, more administrative flexibility in assignments, and the possibility of more adequate recognition within grade.

This is a good place to point out that out of some 56 chiefs of mission, including the special missions in Berlin, Vienna, and capitals of some countries with which we do not now have diplomatic relations, about 64 percent come from the ranks of the career service. This is a considerable improvement, from the Service point of view, over conditions obtaining in the old days, but if we expect the best men to come into, and remain in, the Service we must not restrict unduly the typically American opportunity—a fair chance to rise to the top. I personally would like to see the appointment of more of the so-called “career men”; at the same time I concede whole-heartedly that if there are jobs in our diplomacy which cannot be best filled by men from our Service then the best-qualified men should be sought wherever they may be.

It is still unfortunately true, however, that regular Foreign Service officers who do not have private means are at a disadvantage in competing for the top posts with wealthy men from outside the Service. Believe it or not, our salaries for ministers and ambassadors were established in 1856 and have not been changed since. Chiefs of mission of relatively small countries are often better paid than ours. In the upper brackets the comparison is startling; Ambassador Winant in London gets a salary of \$17,500 subject to income tax, plus tax-free allowances to cover such matters as rent amounting to about \$12,000 dollars. The British Ambassador in Washington quite rightly receives about \$70,000 dollars a year, which is tax free.

In the lower ranks of the Service, also, the men are notoriously underpaid with respect to their obligations, and we have not yet succeeded, despite successive reforms, in making it possible for a man without independent means to serve as effectively as he should.

Since 1924, there has been an over-all expansion in level and pattern of living costs. Industrial

salaries and salaries in emergency Government administrations have increased and been adjusted to meet this expanded way of living. A further increase in Government salaries is desirable. To quote the House Committee on Civil Service in its report on H.R. 3393: “In the postwar period, the problems of government, the inevitable complexities of administration, and the importance of effective service to the people will justify unusual emphasis upon high standards in selecting, promoting and retaining personnel. This is particularly true of the middle and higher brackets. But with high qualification standards must be associated rates of compensation that are reasonably attractive to persons who meet these standards.” The Foreign Service officer is, of course, faced with expenses not imposed on home Civil Service personnel, and he has not the same opportunities for investment or savings as if he were permanently domiciled in this country. Despite very small increases under the recent Federal Pay Act, which so far as “take home” pay is concerned will be somewhat nullified by the cessation of overtime, salaries and allowances are in our best judgment insufficient. The general level remains about where it was in 1924.

In the hearings on the State Department Appropriation Bill of 1945, Secretary Hull made, I think, an illuminating comment on the subject of allowances. I quote:

“Allowances as distinguished from salary are premised upon the various conditions which obtain in the many duty stations and are essential to meet the extraordinary cost of maintenance of satisfactory standards of living and the performance of public business. They are necessary to the maintenance, as well, of a mobile and flexible service.

“It is important, particularly in these times, that these allowances be maintained at a level adequate to meet the ascertained needs and that these allowances be considered in the nature of equipment essential to the performance of Government work, rather than as personal perquisites of individual personnel. Many of our personnel are today experiencing inflation which cannot but impede their activities unless allowances are made to offset the increasing costs over which they have no control. At the same time they are subjected, as we all are, to tax legislation which is calculated to curb inflation in the United States. These two

forces simultaneously in operation have definitely placed the personnel of the Foreign Service and other agencies operating abroad on the horns of a dilemma."

The way out of the dilemma has been, perforce, for the Foreign Service officer to meet the extraordinary expenses out of his own pocket. Our projects will alleviate the situation by reimbursing the officer in part for the expenses peculiar to his profession. We will ask for new allowances for the expenses incurred when the exigencies of the Service require an officer to maintain separate households for himself and his family, and for the expense of transporting his children to the United States so that they may not be denied the advantages of an American education. In addition to these allowances, others which have been provided by previous legislation especially in connection with rent, cost of living, and official entertainment will continue with adjustments to meet the current situation.

The problem of adequate Foreign Service compensation has been pointed up recently by the problem of integrating the war-appointed specialists into the regular establishment. These men are receiving salaries on the wartime scale in most cases markedly superior to those of Foreign Service officers of much longer experience doing comparable work. The men we want to retain will hardly come in at the prevailing salaries for the Foreign Service, and some are being employed at higher salaries. We have had a flood of telegrams from our chiefs of mission, pointing out the discrepancy. Ambassador Caffery in Paris says that he is sure that the Department will be aware of the disappointment among our career officers of junior and middle grades which might be caused by the appointment of some of the men in the interim services at the proposed salaries, in many cases much in excess of their own. "I do not feel", he continues, "that these salaries are excessive but I trust that if this salary scale is established and the cost of living and rental allowances are set up commensurate with those received by our own Foreign Service the Department will leave no stone unturned to seek from Congress legislation which will improve the pay status of our Foreign Service."

We promise to leave no stone unturned. Our

feeling is that the country needs and absolutely must have the best possible Service and must be prepared to pay for it. We expect to approach Congress in that spirit taking with us a carefully worked out pay scale, from ambassadors down to probationers and the lowliest messenger, related to comparable executive salaries in this country and the costs of living abroad as representatives of the United States.

We will require money for other needed improvements which I have not detailed to you but which include administrative surveys of field needs and conditions, more frequent inspections, better pay and opportunity for the clerical service, more language training in the Service, and, notably, housing for a renovated Service which will not be inconsistent with our status as an international power.

After all the cost of a good Foreign Service is only part of the cost of our machinery for the conduct of foreign relations, which in turn is an exceedingly small part of the costs of the Government and infinitesimally small compared with the costs of war. One single day of war as it is waged today costs our country \$245,000,000. The estimates for the Department of State and the Foreign Service in the entire year of 1946 total \$77,900,000. Thus for the estimated expense of a whole year of supporting this first line of national defense of ours, we could wage war, as it is waged today, for less than a day.

Obviously, all the reforms I have sketched for you will come to nought unless our officers have the necessary intellectual stature and creative spirit. The best legislation, the best administration, and the best will in the world cannot take the place of brains.

At worst the diplomatic mentality can be a sterile thing given to airy dilettantism, or at best it can be both creative and conservative. The diplomat who has shared the lives of many peoples and has learned many disciplines is in a way a survival of humanist culture.

The wise diplomat can help give meaning and direction to an engineers' and specialists' world. If our new Foreign Service can unite sympathy, idealism, and a world view with technical competency and modern skill it should remain, as it now is, as good as any in the world.

# International Organizations and Conferences

## Calendar of Meetings

Far Eastern Commission	Tokyo	January 6 (continuing in session)
Anglo-American Committee of Inquiry	London	Hearings opened on January 25
The United Nations: General Assembly	London	January 10 (continuing in session)
Security Council	London	January 17 (continuing in session)
Civil Aviation Conference	Bermuda	January 15 (continuing in session)
Council of Foreign Ministers: Meeting of Deputies	London	January 18 (continuing in session)
International Labor Organization: Conference of Delegates on Constitutional Questions	London	January 21 (continuing in session)
International Development Works Committee	Montreal	January 28 (continuing in session)
International Technical Committee of Aerial Legal Experts (CITEJA): 14th session	Paris	January 22 (continuing in session)
International Cotton Study Group: Subcommittee of the International Advisory Committee	Washington	January 24 (recessed after first meeting until February 4)
North American Regional Broadcasting Engineering Conference	Washington	February 4
Council of the United Maritime Authority	London	February 4
West Indian Conference	St. Thomas, Virgin Islands (U.S.)	February 21

## Activities and Developments

**International Technical Committee of Aerial Legal Experts.** The Department announced to the press on January 21 that the Fourteenth Session of the International Technical Committee of Aerial Legal Experts (CITEJA—Comité International Technique d'Experts Juridiques Aériens), is scheduled to convene at Paris on January 22, 1946. The United States Group which will participate in this meeting will consist of Stephen Latchford, Adviser on Air Law, Aviation Division, Department of State, chairman, United States Section of CITEJA; Arnold W. Knauth, Specialist in Maritime and Aviation Law, De-

partment of Justice, member, United States Section of CITEJA; Emery T. Nunneley, Jr., Assistant General Counsel, Finance, Civil Aeronautics Board; and Howard B. Railey, Civil Air Attaché, American Embassy, Paris.

This session is the first since the outbreak of the war. The agenda will include:

1. Opening of the Fourteenth Session. Designation of the President of CITEJA.
2. Regulations of CITEJA.

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The dates in the calendar are as of Jan. 27.



3. Consideration of the administrative and financial management of CITEJA from 1939 to 1945 and of the budget estimate for 1945-46.

4. Coordination of the activities of CITEJA with the Provisional International Civil Aviation Organization (PICAO) at Montreal and relationship between the two organizations.<sup>1</sup>

5. Collaboration of the CITEJA in the interpretation and application of international conventions on private air law.

6. Revision of the Warsaw convention.

7. Draft conventions on aerial collisions, assistance and salvage of aircraft on land, legal status of the commander and navigating personnel.

8. Aviation insurance.

9. Designation of commissions (subcommittees). Assignment and order of projects.

10. Date and place of the Fifteenth Session.

An important objective of the meeting is the reorganization of CITEJA, which is covered by items 2, 3, and 4. The Committee will reassign for further study the draft conventions covered by items 6, 7, and 8.

#### MEMBERS OF THE UNITED STATES SECTION<sup>2</sup>

The Secretary of State announced on January 21 that the President has approved the designation of the following persons as members of the United States Section of CITEJA and of the Advisory Committee thereto:

#### UNITED STATES SECTION

##### Chairman:

Stephen Latchford, Adviser on Air Law, Aviation Division, Department of State

##### Members:

Russell B. Adams, Director, Economic Bureau, Civil Aeronautics Board

John C. Cooper, Member, Executive Committee, International Air Transport Association

Arnold W. Knauth, Specialist in Maritime and Aviation Law, Department of Justice

Arthur L. Lebel, Chief, Communications Section, Aviation Division, Department of State

George C. Neal, General Counsel, Civil Aeronautics Board

#### ADVISORY COMMITTEE TO THE UNITED STATES SECTION

##### Chairman:

Arnold W. Knauth

<sup>1</sup> For an article on this subject see BULLETIN of Feb. 28, 1945, p. 310.

<sup>2</sup> Released to the press Jan. 21.

##### Vice Chairman:

John C. Cooper

##### Members:

Gordon D. Brown, vice president, Bankers Trust Company of New York

John M. Dickerman, Washington representative, Air Line Pilots Association

Howard S. LeRoy, professor of air law, National University Law School, Washington, D.C.

J. Brooks B. Parker, specialist in aviation insurance

Miss Eleanor H. Finch, Aviation Division, Department of State, has been designated Secretary of the United States Section.

The International Technical Committee of Aerial Legal Experts was created as the result of a resolution adopted at the First International Conference on Private Air Law, which met in Paris on October 27, 1925. It was organized for the purpose of developing a comprehensive code of private air law through the adoption of international conventions on various subjects of private air law. The Department understands that immediately prior to the outbreak of the war 27 countries were official members of CITEJA and contributing to its support. The United States has been a contributor to CITEJA since the calendar year 1930. The first session of the Committee was held in Paris in May 1926, and the Committee held semi-annual sessions until the outbreak of the war. The preliminary draft conventions are prepared by four commissions, which are in effect subcommittees, established by the Committee.

**North American Regional Broadcasting Engineering Conference.** The Department announced on January 25 that there will be convened in Washington on Monday, February 4, 1946, at 11 a. m. in the Department of Commerce Auditorium, 14th Street between Constitution Avenue and E Street, NW, a North American Regional Broadcasting Engineering Conference to consider problems related to standard-band broadcasting in the North American region particularly as they are affected by the North American Regional Broadcasting Agreement which expires March 29, 1946. The countries which are parties to the agreement are as follows: Canada, Bahamas, Cuba, Dominican Republic, Haiti, Mexico, Newfoundland, and United States. The British Government has indicated its intention of sending observers in behalf of the other British possessions in the North American region, and it is possible that observers may be

present from the Central American republics and Panama.

Representatives of the United States broadcast industry are invited to participate as observers throughout the Conference. It is expected that industry representatives will also be present from other countries. In order to aid in the arrangements for the meetings and the disposition of matters to be called up, interested persons are requested to notify the assistant secretary of the Conference, Miss Frances W. Simpson, Telecommunications Division, Department of State, 1818 H Street, NW, Washington, D.C., not later than February 2, 1946. In this connection it is desirable that persons who plan to attend identify themselves by office or position and, if attendance is in a representative capacity, by the identity of the persons or organization in whose behalf they will attend.

The agenda of the Conference will consist of proposals on behalf of each of the countries which are parties to the NARBA agreement and various subjects of a technical character designed to improve service in each country as well as to minimize interference between countries.

Following the opening plenary session, meetings will be held in the offices of the Federal Communications Commission, Pennsylvania Avenue and 12th Street NW, Washington, D.C.

The Delegation of the United States will consist of the following: Commissioner Ewell K. Jett of the Federal Communications Commission, chairman; Harvey B. Otterman of the Department of State, vice chairman; George P. Adair, Chief Engineer, and Rosel H. Hyde, General Counsel, of the Federal Communications Commission; and Donald R. MacQuivey of the Telecommunications Division of the Department of State. This Delegation will be assisted by members of the staffs of the Federal Communications Commission and of the Department of State.

The secretary of the Conference will be K. Neil MacNaughten of the Federal Communications Commission, and the assistant secretary will be Miss Frances W. Simpson of the Department of State.

**United Maritime Authority.** A meeting will be held in London beginning February 4, 1946 of the full Council of the United Maritime Authority,

whose membership is made up of the following maritime nations: United States, United Kingdom, France, Netherlands, Norway, Australia, Belgium, Brazil, Canada, Chile, Denmark, Greece, India, New Zealand, Poland, Sweden, Union of South Africa, and Yugoslavia. The meeting is being held for the purpose of discussing the termination of the United Maritime Authority, which is due to be dissolved on March 2 under the terms of its charter providing for its end six months after the general suspension of hostilities. The meeting will also consider what plans should be made in view of the termination of the controlled shipping pools of 17 million tons to take care of various national shipping programs and to insure as smooth a transition as possible from a wartime basis to a peacetime operation. The American Delegation is made up of official members of the UMA Secretariat from the War Shipping Administration. John Mann of the Shipping Division is representing the Department of State as an observer. In addition four representatives of the shipping industry selected by the National Federation of Shipping will attend as advisers.

**Civil-Aviation Agreements: Paraguay, Nicaragua, Turkey.** In a press release of January 23 the Department announced that the Ambassador of Paraguay deposited with the Department of State on January 21, 1946 the Paraguayan instrument of ratification of the Convention on International Civil Aviation.

Other action taken recently on the Interim Agreement on International Civil Aviation, the Convention on International Civil Aviation, the International Air Services Transit Agreement, and the International Air Transport Agreement concluded at the International Civil Aviation Conference in Chicago on December 7, 1944 includes the following:

The deposit by the Ambassador of Nicaragua with the Department of State on December 28, 1945 of the instrument of ratification of the convention by the Government of Nicaragua and the acceptance of the interim, transit, and transport agreements by that Government;

The deposit by the Ambassador of Turkey with the Department of State on December 20, 1945 of the Turkish instrument of ratification of the convention.

## The Record of the Week

### Advisory Group To Prepare Recommendations on Mass Communications

Assistant Secretary of State William Benton announced the appointment of five special consultants who will gather and formulate advice for the Department of State in developing United States proposals in the field of mass communications for consideration by the United Nations Educational, Scientific and Cultural Organization (UNESCO).

The members of the advisory group are as follows:

**EDWARD W. BARRETT**, Editorial Director, *Newsweek*; formerly Director, Overseas Branch, Office of War Information. Mr. Barrett will serve as chairman.

**THURMAN L. BARNARD**, Vice President and Director, Compton Advertising Agency, New York, N.Y.; formerly Executive Director, Overseas Branch, Office of War Information.

**DON FRANCISCO**, Vice President and Director, J. Walter Thompson Advertising Agency, New York, N. Y.; formerly Assistant Coordinator, Office of Inter-American Affairs.

**FERDINAND KUHN, Jr.**, Consultant, Office of International Information and Cultural Affairs, Department of State; formerly Chief, London Bureau, New York *Times*, and later Deputy Director, Office of War Information, and Director, Interim International Information Service.

**JOHN HAY WHITNEY**, formerly Motion Picture Chief, Office of Inter-American Affairs, later Colonel in the U. S. Army Air Forces. Before the war he had extensive experience in the commercial motion-picture industry as chairman of the Board of Selznick International Pictures.

Mr. Benton declared:

"UNESCO must seek to enlist the full cooperation of the press, radio, and motion picture, if it is to succeed in its purpose of getting the peoples of the world behind the peace. That peace will not be secure until its defenses are built in the minds of men.

"I am calling on five men who have had long experience with mass media in the private industry, and who have had special opportunity, in their service with the Federal war agencies, to acquire first-hand knowledge of the need for Government recognition of the immense contribution that the mass media of communication can make to international understanding. These five men have been cooperating with the Department since my own appointment. In collaboration with Archibald MacLeish, chairman of the United States Delegation to the London conference on UNESCO last November, they will assist the Department in outlining a practical program through which radio, motion pictures, and publications may cooperate with UNESCO in strengthening the foundations of world peace.

"It is hoped that the first meeting of the General Conference of UNESCO will be held this coming summer. Under the UNESCO Charter each country will appoint five delegates. The assignment which I am giving to the Advisory Group is to prepare recommendations for the use of the United States Delegates at this first Conference. It is my hope that this group during the next few months will meet with representatives of the various media of communications and will explore with them the most constructive activities for UNESCO in the field of motion pictures, radio, and publications. It is my hope that the report of the Advisory Group to the State Department, for the guidance of the Delegates, will be such that it can be made public."

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Released to the press Jan. 27.



## Anglo-Soviet-American Communiqué on the Disposal of the German Navy

[Released to the press January 22]

One. It was decided at the Berlin Conference that operable surface units of the German fleet including units which could be made operable within a specified time together with 30 U-boats should be divided equally between the Three Powers and that the remainder of the German fleet should be destroyed.<sup>1</sup>

Two. The Tripartite Naval Commission was accordingly appointed to make recommendations to implement this decision and it has recently reported to the governments of the Three Powers. Its report is now under consideration by these governments but its recommendation on allocation of the main units has been accepted and their division between the Three Powers is now being made.

Three. Surplus U-boats in United Kingdom ports have been sunk in accordance with this agreement.

## Program for Supplying Raw Materials to Germany and Japan Clarified

[Released to the press January 21]

Many questions have been raised about the reported plan to furnish supplies of cotton and other raw materials to Germany and Japan for the purpose of reactivating industries in these countries. To dispel certain misunderstandings which have arisen, the Department of State wishes to clarify certain aspects of the program.

First, the program constitutes in no sense a reversal or change in policies previously formulated and announced by this Government. It will be recalled, in particular, that the Secretary of State, in a statement issued last December 12,<sup>2</sup> envisaged three stages in the post-hostilities economic development of Germany. At that time, he anticipated that the second stage, marking a gradual revival of German industry, would begin after the present winter.

Second, the program will be so designed as to

be consistent with one of the cardinal features of this Government's economic foreign policy, which is to insure that economic and industrial recovery in countries freed from enemy domination should have priority over revival in enemy countries. Thus the plan for the reactivation of the cotton-textile industry which will be drawn up by our military-government authorities in Germany will take into consideration the fact that it will be necessary to maximize coal exports for the benefit of liberated areas until this spring at least, and that the probable coal supply-demand situation in Europe even after this winter will continue to limit industrial revival. Both in Germany and Japan raw materials, fuel, and transport will be provided for industry only to the extent compatible with the interests of both the occupying powers and the liberated areas.

Third, there is a world-wide shortage of textile products, while there is a surplus of short-staple raw cotton. It is important that all spindles be used to relieve the world textile shortage. Allocations of raw cotton to Germany and Japan would not cut into the supply available for liberated areas. Moreover, of the textile products made from such cotton only enough would be left in Germany and Japan to satisfy minimum domestic requirements. The balance would be exported to pay for the raw cotton and other imports which the occupying powers are now financing. For these reasons, the cotton-textile industry should be among the first industries in enemy countries to be reactivated. No concrete proposals to supply raw materials other than cotton are at present being considered, although they may be taken up as conditions warrant.

Fourth, the program must not be considered a charitable undertaking to assist Germany and Japan. We expect to get paid for the cotton. Moreover, we have a distinct interest in putting these countries on a self-sustaining basis. Neither country can exist even at a bare subsistence level without imports. Neither country can today pay for its own imports because its gold and foreign assets have been earmarked for reparation and restitution, and its industries are virtually at a standstill and therefore incapable of producing sufficient exports to pay for essential imports.

<sup>1</sup> BULLETIN of Aug. 5, 1945, p. 157.

<sup>2</sup> BULLETIN of Dec. 16, 1945, p. 964.

The United States as well as other occupying powers in Germany has had to finance the importation of food and certain other minimum relief supplies necessary to prevent starvation and disease and unrest of a character endangering the occupying forces. We obviously do not want to keep Germany and Japan on relief indefinitely at our own cost. The only way to enable these countries to pay for their own imports is to finance initially the importation of raw materials required to start up their export industries.

Finally, any program for the reactivation of industry in Germany and Japan must, of course, be within the framework of existing international agreements and require the consent of other powers concerned in the occupation or administration of these countries. The United States has no intention to proceed unilaterally.

## Coordination of Foreign Intelligence Activities

### DIRECTIVE FROM THE PRESIDENT

[Released to the press by the White House January 22]

*Text sent by the President to the Secretary of State, Secretary of War, and Secretary of the Navy with regard to the coordination of the foreign intelligence activities of the Federal Government:*

1. It is my desire, and I hereby direct, that all Federal foreign intelligence activities be planned, developed and coordinated so as to assure the most effective accomplishment of the intelligence mission related to the national security. I hereby designate you, together with another person to be named by me as my personal representative, as the National Intelligence Authority to accomplish this purpose.

2. Within the limits of available appropriations, you shall each from time to time assign persons and facilities from your respective Departments, which persons shall collectively form a Central Intelligence Group and shall, under the direction of a Director of Central Intelligence, assist the National Intelligence Authority. The Director of Central Intelligence shall be designated by me, shall be responsible to the National Intelligence

Authority, and shall sit as a non-voting member thereof.

3. Subject to the existing law, and to the direction and control of the National Intelligence Authority, the Director of Central Intelligence shall:

*a.* Accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national policy intelligence. In so doing, full use shall be made of the staff and facilities of the intelligence agencies of your Departments.

*b.* Plan for the coordination of such of the activities of the intelligence agencies of your Departments as relate to the national security and recommend to the National Intelligence Authority the establishment of such over-all policies and objectives as will assure the most effective accomplishment of the national intelligence mission.

*c.* Perform, for the benefit of said intelligence agencies, such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally.

*d.* Perform such other functions and duties related to intelligence affecting the national security as the President and the National Intelligence Authority may from time to time direct.

4. No police, law enforcement or internal security functions shall be exercised under this directive.

5. Such intelligence received by the intelligence agencies of your Departments as may be designated by the National Intelligence Authority shall be freely available to the Director of Central Intelligence for correlation, evaluation or dissemination. To the extent approved by the National Intelligence Authority, the operations of said intelligence agencies shall be open to inspection by the Director of Central Intelligence in connection with planning functions.

6. The existing intelligence agencies of your Departments shall continue to collect, evaluate, correlate and disseminate departmental intelligence.

7. The Director of Central Intelligence shall be advised by an Intelligence Advisory Board consisting of the heads (or their representatives) of the principal military and civilian intelligence agencies of the Government having functions related to national security, as determined by the National Intelligence Authority.

8. Within the scope of existing law and Presidential directives, other departments and agencies of the executive branch of the Federal Government shall furnish such intelligence information relating to the national security as is in their possession, and as the Director of Central Intelligence may from time to time request pursuant to regulations of the National Intelligence Authority.

9. Nothing herein shall be construed to authorize the making of investigations inside the continental limits of the United States and its possessions, except as provided by law and Presidential directives.

10. In the conduct of their activities the National Intelligence Authority and the Director of Central Intelligence shall be responsible for fully protecting intelligence sources and methods.

## U. S.-Greek Negotiation on Expansion of Production and Employment

### EXCHANGE OF NOTES BETWEEN THE GOVERNMENTS OF THE UNITED STATES AND GREECE<sup>1</sup>

[Released to the press January 25]

The Acting Secretary of State announced on January 25 that, in a recent exchange of notes, the Governments of the United States and Greece have agreed on the negotiation of measures looking toward promoting world expansion of production, employment, and the exchange and consumption of goods. The texts of these notes follow:

ROYAL GREEK EMBASSY,  
WASHINGTON, D.C.  
*January 2, 1946.*

EXCELLENCY:

I have the honor to make the following statement of the understanding reached during our recent discussions:

1. With a view to promoting the expansion of production, employment, and the exchange and consumption of goods, the Government of the United States of America and the Greek Government hereby undertake that they will enter into negotiations at an appropriate date for the reaching of agreement between themselves and with other countries of like mind on mutually advanta-

geous measures directed to the reduction of tariffs and trade barriers, and the elimination of all forms of discriminatory treatment in international commerce, payments and investments.

2. Pending the conclusion of negotiations envisaged in the foregoing paragraph, the Governments of the United States of America and Greece declare it to be their policy to avoid the adoption of new measures affecting international trade, payments or investments which would prejudice the objectives of such agreement. The two Governments shall afford each other an adequate opportunity for consultation regarding proposed measures falling within the scope of this paragraph.

Accept [etc.]

DIAMANTOPOULOS

His Excellency

Mr. JAMES F. BYRNES,

*Secretary of State,*

*Washington, D. C.*

DEPARTMENT OF STATE,  
WASHINGTON, D.C.

*January 11, 1946.*

EXCELLENCY:

I have the honor to acknowledge the receipt of your note of January 2, 1946 concerning the understanding reached during our recent discussions in regard to promoting the expansion of produc-

<sup>1</sup> Asked at his press and radio news conference on January 25 whether this meant that a reciprocal trade agreement with Greece was in the offing, Mr. Acheson replied in affirmative. He added that it particularly meant that the Greek Government would join in the international trade conference which we were looking forward to during the coming summer. A correspondent asked if the exchange of notes represented a preventive and protective American step in connection with the new fiscal arrangement negotiated between Great Britain and Greece to make sure there would be no barriers to American trade as a result of the tying of Greek economy to Britain. The Acting Secretary said that he did not think that this Government thought it was necessary to do that. He said that both the British Government and this Government were advancing financial help to the Greeks and that he did not think that there was ever any question that there was going to be any exclusive arrangement made by either Government. Asked if the reason these notes were announced now was because this Government had been sitting in on the discussions with the Greek and British Government on financial matters and this was one of the results of those discussions, Mr. Acheson replied in the negative. He said that this was one of the results of the discussions between this Government and the Greek Government in connection with our own financial discussions



tion, employment and the exchange and consumption of goods, and hereby confirm your statement of the understanding reached as therein set out.

Accept [etc.]

DEAN ACHESON  
*Acting Secretary of State*

His Excellency  
CIMON P. DIAMANTOPOULOS,  
*Ambassador of Greece.*

## Reconsideration of Quotas on Silver-Fox Furs

[Released to the press January 24]

Consideration is being given to the question of whether the emergency conditions with respect to the marketing of silver- or black-fox furs and skins which resulted in the supplemental trade agreements with Canada relating to these articles, signed in 1939 and 1940, have ceased to exist or have substantially changed.

Shortly after the outbreak of war in 1939 several European markets which previously had absorbed large quantities of silver-fox furs were practically closed, largely because of the need of governments to conserve foreign exchange for essential supplies. This resulted in much larger quantities becoming immediately available for the remaining markets of the world, especially the United States, and there was attendant demoralization of marketing conditions. A supplemental trade agreement was therefore negotiated in Canada in December of that year providing that the total number of silver-fox furs which might be entered into the United States a year should not exceed 100,000. To prevent evasion of the quota the restrictions were applied also to live silver foxes, parts of furs, and articles made of furs. The rate of tariff duty on silver-fox furs was reduced from 37½ to 35 percent ad valorem during the continuation of the quota.

A second supplementary agreement was signed in December 1940 and remains in effect. This agreement continued the basic quota of 100,000 silver foxes and furs and the 35-percent rate of duty but provided for changes in detail. Separate quotas were provided for parts of silver-fox furs, piece plates made therefrom, and articles wholly or in chief value of such furs.

The present quota of 100,000 is allocated during the first five months of each quota year so that Canada is granted 70 percent of the permissible imports and all other countries the remaining 30 percent. After the end of such five months unfilled portions of the quota may be filled by imports from any source.

The agreement provides that either government, after consultation with the other, may terminate it on 90 days' notice should such government decide that the emergency conditions which gave rise to the agreement have ceased to exist or have become substantially modified. Moreover, the share of the quota allotted to Canada may be changed by mutual agreement; and the entire quota arrangement may be terminated at any time by agreement between the two governments. It is provided that upon termination of the supplemental agreement the rate of duty on silver-fox furs reverts to 37½ percent ad valorem, as fixed in the trade agreement between the United States and Canada signed November 17, 1938.

In view of the steps taken since V-E Day toward a resumption of commercial activity in Europe, the present is deemed an appropriate time to re-examine the whole situation regarding silver-fox furs, with a view to determining whether an emergency still exists.

Any person desiring to submit any information or views with respect to the foregoing should present them to the Committee for Reciprocity Information in accordance with the following announcement issued by that Committee on January 24:

### RECONSIDERATION OF QUOTAS ON SILVER FOX FURS

#### PUBLIC NOTICE

Closing date for submission of briefs—February 25, 1946

Closing date for application to be heard—February 25, 1946

Public hearings open—March 7, 1946

THE COMMITTEE FOR RECIPROCITY INFORMATION hereby gives notice that all information and views in writing, and all applications for supplemental oral presentation of views in regard to the question whether the emergency conditions with respect to the marketing of silver or black fox furs and skins which resulted in the supplemental trade

agreements with Canada relative to these articles, signed on December 30, 1939, and December 13, 1940, have ceased to exist or have become substantially modified, shall be submitted to the Committee for Reciprocity Information not later than twelve o'clock noon, February 25, 1946. Such communications should be addressed to "Chairman, Committee for Reciprocity Information, Tariff Commission Building, Eighth and E Streets, N.W., Washington 25, D.C."

A public hearing will be held beginning at 10:00 A.M. on March 7, 1946, before the Committee for Reciprocity Information in the hearing room of the Tariff Commission in the Tariff Commission Building, where supplemental oral statements will be heard.

Ten copies of written statements, either typewritten or printed, shall be submitted, of which one copy shall be sworn to. Appearance at hearings before the Committee may be made only by those persons who have filed written statements and who have within the time prescribed made written application for a hearing, and statements made at such hearings shall be under oath.

By direction of the Committee for Reciprocity Information this 24th day of January, 1946.

EDWARD YARDLEY  
*Secretary*

WASHINGTON, D.C.,  
January 24, 1946.

## Appointment of Board of Consultants on Atomic-Energy Committee

[Released to the press January 25]

The Department of State announced on January 25 that a board of consultants had been appointed to assist with the work of the Secretary of State's Committee on Atomic Energy, which was set up on January 7 with Dean Acheson, Under Secretary of State, as chairman.

The board of consultants consists of Mr. David E. Lilienthal, chairman of the Tennessee Valley Authority, Mr. Chester I. Barnard, president, New Jersey Bell Telephone Company, Dr. J. Robert Oppenheimer, California Institute of Technology, Mr. Charles A. Thomas, vice presi-

dent, Monsanto Chemical Company, and Mr. Harry A. Winne, vice president and manager of engineering apparatus department, General Electric Company. Mr. Lilienthal will act as chairman of the group.

In addition to Under Secretary Acheson, the Secretary of State's Committee is composed of Assistant Secretary of War John J. McCloy, Dr. Vannevar Bush, Dr. James B. Conant, and Maj. Gen. Leslie R. Groves. The Committee was appointed to study the subject of controls and safeguards necessary to protect this Government so that, when the persons are selected to represent the United States on the United Nations Commission on Atomic Energy, they will have the benefit of the study. The proposal for such a Commission was adopted formally on January 24 by the General Assembly of the United Nations.

## Appointment of U.S. Political Representative to Austrian Government

[Released to the press January 21]

John G. Erhardt has been appointed United States Political Representative to the Austrian Government. He will serve simultaneously as Political Adviser to Gen. Mark Clark, United States Member of the Allied Control Council in Vienna, until such time as the agreement on control machinery in Austria is modified by a new four-power agreement. Mr. Erhardt will have the personal rank of Minister.

## Approval of Designation of Austrian Representative in U.S.

[Released to the press January 21]

The President has approved the designation by the Austrian Government of Ludwig Kleinwaechter as Austrian representative in the United States, with the personal rank of Envoy Extraordinary and Minister Plenipotentiary. Dr. Kleinwaechter will deal with all matters concerning relations between the United States and Austria which do not affect the supreme authority of the Allied Council.

## International Agreements With Siam Continue in Force

STATEMENT BY ACTING SECRETARY  
ACHESON

[Released to the press January 24]

In conversations with the Government of Siam, following the formal resumption of diplomatic relations between the United States and Siam, it has been recognized that the treaties and other international agreements in force between the United States and Siam prior to the outbreak of war in the Far East continue in full force and effect. Bilateral treaties and agreements covered by such conversations include the Treaty of Friendship, Commerce, and Navigation of November 13, 1937, together with the final protocol and accompanying exchanges of notes; the Extradition Treaty of December 30, 1922; and the agreement for the waiver of passport-visa fees of September 19, 1925.

## Special International Textile Group Leaves for Japan

[Released to the press January 21]

On January 15 a special international textile group organized by the State and War Departments left for Japan. It will report to the Supreme Commander, General MacArthur, and will be charged with the duty of assisting him in developing factual information on the textile industry in Japan.

United States members will be three representatives of United States textile industry. Frank Rowe, chief engineer, Riverside and Dan River Mills, Virginia, and H. Wichenden Rose, vice president for research and planning of American Viscose, left with the mission on January 15. Harry L. Bailey, president of the Wellington-Sears Company, New York, will replace Hugh Comer, president of Avondale Mills, who has been compelled to withdraw for unavoidable personal reasons. Mr. Bailey will join the group in Japan.

The Governments of Great Britain, India, and China have accepted invitations to nominate ob-

servers. They will be: for Great Britain, F. S. Winterbottom, British member of Combined Textile Committee; for India, Bharat Ram; for China, Yang Sih-Zung, member of Textile Regulation Administration of Chinese Ministry of Economic Affairs. Fred Taylor and Stanley Nehmer of the Department of State will also be attached to the group.

The report of the group will be made available to the State and War Departments, to the governments represented, and to the Combined Textile Committee, which since the dissolution of the Combined Production and Resources Board on January 1, 1946 has been responsible for world allocations of textiles.

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### WHEAT SHIPMENTS—Continued from page 151.

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Upon my return from the Potsdam Conference I stated:

"If we let Europe go cold and hungry, we may lose some of the foundations of order on which the hope for world-wide peace must rest. We must help to the limits of our strength, and we will."

I should like to emphasize the last sentence of that statement and request that you give the personal attention to this problem which the seriousness of the situation demands.

Everything possible must be done to provide the necessary handling, inland transportation, port facilities, and ocean transportation required to move all the wheat and flour which can be provided. We must reduce to a minimum the quantity of wheat used for non-food purposes. Also, all other efforts must be made to increase wheat for food and for this purpose the possibility of increasing the extraction ratio in milling should be explored.

I have asked Mr. Snyder to coordinate all of the movement activities in this country to make certain that we attain maximum shipments of wheat as well as coal to liberated countries. Mr. Snyder has directed the establishment of a Movement Coordinating Committee and it is my understanding that your Department is represented on this Committee. I have also asked him to keep me fully informed of the progress being made and to report directly any major difficulties which are not readily adjusted by his action.



## Research Fellowship in Agriculture

[Released to the press January 21]

The Department of State has been informed by the Inter-American Institute of Agricultural Sciences, Turrialba, Costa Rica, of the offer of a fellowship in agricultural education and research for a citizen of the United States. The fellowship is open to male students holding the equivalent of a bachelor's degree in agriculture and provides tuition, room, board, and laboratory fees for one year at the Institute. In order to express the interest of the United States in the success of this fellowship, the Department of State will award a round-trip travel grant to the winning candidate.

The United States has been invited to submit a panel of three names to the Institute from which final selection of the winning candidate will be made. Each candidate must meet the following requirements:

1. Have high professional and intellectual qualifications
2. Be in good physical condition
3. Have good grounding in basic courses such as chemistry, physics, botany and zoology
4. Be a candidate for an advanced degree or a person with advanced degree wishing to do special research
5. Be a citizen of the United States
6. Have an adaptable personality
7. Have an adviser in the United States

During the present year only unmarried men will be appointed. Other things being equal, preference will be given to persons having a knowledge of Spanish or Portuguese, and to veterans of World War II.

The successful candidate will be expected to devote his entire time to the pursuits for which the fellowship is awarded and to spend not less than one year in residence at the Institute. He will also be expected to present a thesis summarizing the results of the thesis problem assigned to him. After the satisfactory completion of his work, the student will be awarded the degree of master of science.

Application blanks and information leaflets may be obtained from the American Republics Branch, Division of International Educational

Relations, United States Office of Education, Washington 25, D.C., and should be returned before March 15, 1946. It is hoped that announcement of the award can be made by April 15 in order that studies at Turrialba may be undertaken prior to June 20.

The Inter-American Institute of Agricultural Sciences is an organization comprising, to date, 14 of the American republics, whose purpose is to encourage and advance the development of the agricultural sciences in the American republics through research, teaching, and extension activities in the theory and practice of agriculture and related arts and sciences.<sup>1</sup> It is particularly interested in laying the foundation for a scientific approach to the development of important agricultural products. In a broader sense, it will serve to promote friendship and better understanding by fostering constructive cooperation in the agricultural field among the republics of the American continent.

## Resumption of Travel Grants for Study in Other American Republics

[Released to the press January 22]

The Department of State announces the resumption, on a limited basis, of the program of travel and maintenance grants to assist United States graduate students to undertake academic studies or research in the other American republics. The United States Office of Education and the Department are cooperating in the administration of this program.

These grants will be awarded to qualified candidates to supplement personal funds or funds they may expect to receive through fellowships or other assistance from universities or research councils or other qualified organizations in the United States or the other American republics. They will provide travel and maintenance in accordance with predetermined cost estimates. Preference will be given to the travel-grant aspect of the program.

Candidates must hold a bachelor's degree or its equivalent and must be engaged in or recently have completed graduate study. They must also have

<sup>1</sup> For an article on the Inter-American Institute of Agricultural Sciences see BULLETIN of Oct. 8, 1944, p. 386.

a good working knowledge of the language of the country in which study is to be undertaken. Projects will be considered with reference to their usefulness in the development of broader understanding between the United States and the other American republics, and should be sponsored by appropriate university or college authorities. Other things being equal, preference will be given to honorably discharged veterans of World War II who meet the above qualifications.

Application blanks may be obtained from the American Republics Section, Division of International Educational Relations, United States Office of Education, Federal Security Agency, Washington 25, D.C., and should be returned to that office not later than March 15, 1946. It is hoped that announcement of recipients of grants can be made by May 1, 1946. Travel must begin before June 30, 1946.

Successful candidates will be expected to remain in residence for the purpose of study or research for at least six months. Grants will be valid for a minimum of six months and a maximum of one year. Under exceptional circumstances grants may be renewed, provided funds are available.

## Transmittal of Protocol to Inter-American Coffee Agreement

[Released to the press by the White House January 22]  
*To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a protocol to extend for one year from October 1, 1945, with certain modifications, the Inter-American Coffee Agreement signed in Washington on November 28, 1940. The protocol was open for signature at the Pan American Union in Washington from September 1, 1945 until November 1, 1945 and during that period was signed for the United States of America, "Subject to ratification", and for the fourteen other American republics which became parties to the Inter-American Coffee Agreement.

With the protocol of extension, I transmit for the information of the Senate a report on the protocol made to me by the Acting Secretary of State.

I consider it important that the Senate give early consideration to the protocol.

HARRY S. TRUMAN

THE WHITE HOUSE,  
January 22, 1946.

## The Department

### Appointment of Officers

Walter A. Radius as Adviser on Inland Transport in the Office of Transport and Communications Policy, effective December 3, 1945.

John Newbold Hazard as Adviser on State Trading and Government Monopolies in the Division of Commercial Policy, effective December 12, 1945.

John D. Sumner and John P. Young as Advisers in the Division of Investment and Economic Development, effective January 14, 1946.

John Howe as Special Assistant to the Assistant Secretary for Public and Cultural Relations, effective January 14, 1946.

William T. Stone as Director of the Office of International Information and Cultural Affairs, effective January 14, 1946.

### Division of Investigations

123.6 DIVISION OF INVESTIGATIONS (CSA): (Effective 1-17-46)

I FUNCTIONS. CSA of the Office of Controls (CON) shall be responsible for the following functions:

A To investigate Departmental and Foreign Service applications for appointment to assure Departmental security.

B To make such investigations in connection with the granting of passports and visas as may be necessary.

C To assist other officials, Offices, Divisions of the State Department upon request:

1 In meeting newly arrived ambassadors and ministers and rendering necessary assistance.

2 In meeting distinguished foreign visitors and members of their parties upon their arrival in the United States, facilitating their entry and their travels within the United States.

3 By examining all files, archives, and other property in embassies and consulate offices of former belligerent nations; by safeguarding such material and property; and by arranging for its custody until its final disposition.

4 By rendering services for the Department in the transfer of foreign consulates within the United States.

II ORGANIZATION. CSA shall be responsible to a Chief Special Agent and shall have the necessary organization which shall include field offices in strategic cities, each office in charge of a Special Agent.